Question 2A. Section 7 of the Bill I introduced last Thursday, S. 2389, would, among other things, provide the VA with discretionary authority to establish at individual VA facilities the so-called "Baylor Plan" under which nurses could work two twelve-hour shifts on a weekend and have that work considered a full forty-hour workweek.

If this provision were enacted and a particular facility was authorized to use the Baylor Plan, what would be the cost implications, both in terms of salaries paid and staffing levels?

Answer 2A. Usually, 20% of total available nursing hours are used for staffing Saturday and Sunday; 80% for staffing Monday through Friday. Because the nurse under the "Baylor Plan" works only 24 hours as a full-time employee, the VA facility instituting the "Baylor Plan" would have two options: (1) To reduce nursing coverage from Monday through Friday to 72% of total available hours at a facility already experiencing an acute shortage; or (2) To increase the total number of nursing staff to provide nursing hours needed for Monday through Friday with the concommitant increase of Nursing Service payroll.

Question 2B. Would it be possible under Section 4107(e)(5) to establish work schedules truly comparable to the "Baylor Plan"?

(If so) How would comparability be achieved in terms of benefits such as retirement, health and life insurance, and other benefits connected with full-time service?

Answer 2B. It would be possible to establish work schedules under 4107(e)(5) that are very comparable to the Baylor Plan.

However, it would not be possible to provide the equivalent of full-time benefits.

Question 2C. In your testimony, you indicated that the agency does "not believe that the need for additional legislation . . . has been clearly established" in areas relating to nurses pay and work scheduling and that "some versions of the so-called "Baylor Plan' . . . could limit the VA's options and flexibility." As you know, the new authorities that would be provided in Section 7 of S. 2389 in this area could be used only when necessary for recruitment and retention efforts and would be entirely discretionary with the Administrator.

Question 2C(i). How would the enactment of such discretionary authorities, to use your words, "limit the VA's options and flexibility"?

Question 2C(ii). (If so) Please describe any options the VA would lose and in what specific ways the VA's flexibility would be limited.

Answers 2C(i), (ii). The VA would not lose any options, but the way the Saturday Premium Pay provision is written, it would not provide discretionary authority on the rate. With regard to the "Baylor Plan", the VA, in order to maintain the same number of nursing care hours per patient day, would be required to increase FTEE. Another concern is that continuity of patient care could suffer because there is essentially a totally different weekend staff from the weekday staff. In addition, the attractiveness of working 24 hours for 40 hours could make it difficult to recruit nurses for the off tours during the week.

Question 2D. You stress in your testimony that "competition is beginning to occur in non-monetary areas" in the area of nurse recruitment and retention. Why would it not be helpful to have new discretionary authorities to meet this competition -- as would be provided by Section 7 of S. 2389 -- rather than allow more time to pass with no such authorities while the competitive situation very likely deteriorates?

Answer 2D. The need for additional authorities in these areas are not clearly established at this time. The studies and reports on recruitment and retention of nursing personnel required by Section 118 of Public Law 96-330 will address these issues.

Question 2E. In how many communities is the VA now competing for registered nurses with community facilities that are offering the option of the Baylor Plan for weekend work?

Answer 2E. At the present time, we have identified approximately 15 VA facilities that could benefit from either the Baylor Plan or the compressed workweek.

Question 2F. (If not known) How then do you justify your conclusion that you do not need this authority to compete?

Answer 2F. Actions are being taken under existing authority and the VA believes they should be given an opportunity to demonstrate their effectiveness in these areas before additional legislation is enacted. The Recruitment and Retention Study (Public Law 96-330, Section 118) will address this issue more specifically.

Question 3. Section 7(2) of S. 2389 would also authorize the VA to continue to offer so-called flexitime or compressed workweeks, or both, for nurses and other VA health-care personnel. On page 14 of your statement you state that "Compressed workweeks have significant potential for mitigating those recruitment and retention problems with nurses that are based on non-monetary factors" and that "Preliminary reports from a substantial number of VA facilities implementing these special work schedules show that these programs enhance morale and improve cost effectiveness by improving management of nursing overtime."

Question 3A. In these quotations, were you referring to compressed workweek under both Section 4107(e)(5) and the Public Law 95-390 test program?

Answer 3A. Yes, this was the basis used for experimental compressed work schedules at three locations within the Department.

Question 3B(i). Are the DM&S facilities participating in the government-wide test program under Public Law 95-390 — you indicated there are three — using both flexitime and compressed workweeks?

Answer 3B(i). No, the three VAMC's are using only compressed workweeks.

Question 3B(ii). What type of employees are participating in these programs?

Answer 3B(ii). The New Orleans and Wadsworth VAMC's have only R.N.'s participating on selected Nurse Units using compressed workweeks. Ann Arbor VAMC has both R.N.'s and L.P.N.'s assigned on Specialty Care Units.

Question 3C. In how many communities is the VA now competing for registered nurses or other health-care personnel with community facilities that are offering health-care personnel work schedules with flexitime or compressed workweeks?

Answer 3C. Although nationwide data is not available, review of advertisements revealed this option is being offered in most major metropolitan areas.

Question 4. In your testimony you discuss using the authority in present Section 4107(e)(5) of Title 38 — which authorizes, when voluntarily requested in writing by a nurse, compensatory time off in lieu of overtime pay — to allow a nurse to work a compressed workweek.

Question 4A. How many VA facilities are using this authority for this purpose at present?

Answer 4A. Fifty-seven VAMC's and two outpatient clinics are using this authority for this purpose at present. Thirty-one VAMC's reported they are in the planning stage.

Question 4B. How many nurse employees are working a compressed workweek under Section 4107(e)(5) at present?

Answer 4B. It was reported in April 1982 that more than 917 nurses were working a compressed workweek. The authority was issued October, 1981.

Question 4C. Explain the difference in the authority for compressed workweeks, under Section 4107(e)(5) and under Public Law 95-330 especially in terms of management control and flexibility for scheduling of nurse workweeks?

Answer 4C. The experimental compressed workweek authorized by statute operates by suspending the ordinary provisions governing the payment of overtime and premium pay. The compressed workweek operated on Section 4107(e)(5) operates on the utilization of compensatory time with the permission of the affected RN.

The two provisions are approximately equal in management control in that management determines if the program should be initiated, what personnel may participate, and whether or not the program should be terminated.

4107 authority also depends upon the request of the individual affected nurse, but the requirement for a request does not significantly limit the usefulness of 4107(e)(5) mechanism for compressed workweeks.

Question 4D. Section 7(2) of S. 2389 would authorize the VA to use flexitime and compressed workweek scheduling for all direct-care personnel and those providing services incident to direct care, whom I will refer to as health services personnel. By contrast, under Title 38 now only the limited compressed workweek authority is available under Section 4107(e)(5), and only for use by nurses, physician assistants, and expanded-function dental auxiliaries.

Are there not instances in which the availability of compressed workweek scheduling for other categories of health services personnel and flexitime for all categories of health services personnel would be necessary for VA facilities to meet competition from community facilities offering such work schedules to their health services personnel?

Answer 4D. Yes, such instances could occur at local VAMC's.

Question 5. In your testimony, you mentioned briefly the study mandated by Section 118 of Public Law 96-330, relating to nursing personnel recruitment and retention efforts. For the record, please provide a description of the agency's efforts, to date, under Section 118 including information on

-- Where the pilot program and studies are being conducted;
-- what specific administrative actions are being carried out at the various sites;
-- whether the pilot programs and studies are progressing on time; and
-- how many VACO staff are working on the pilot programs and studies.

Please also provide copies, for the record, of all the pertinent documents pertaining to the study.

Answer 5. The pilot program sites have not yet been selected. The nationwide representative sample survey of staff nurses and head nurses is underway. Criteria for selection of pilot project sites have been developed. The selection of the pilot projects is contingent on the results of the survey questionnaire. The data are currently being compiled. It is anticipated that the final report to Congress will be on time. Staff support of the Administrative Assistant, Nursing Service and computer assistance is being provided. (See Attachment B)

ATTACHMENT B

Veterans
Administration

Memorandum

Date: February 19, 1982

To: DACMD for Nursing Programs

Subj: Status Report - PL 96-330
Section 118

Attached are the proposed budget and the progress report for the Project on Recruitment and Retention of Nurses (PL 96-330, Section 118) as requested. Addressed are the timetable, personnel, advances made and deterrents to the progress of the project.

Mary C. Corley

MARY C. CORLEY, R.N., Ph.D.
Project Director
National Study on Recruitment
and Retention of Nurses

Attachment

cc: Mildred Eichinger (118B)

APPROVED:
~~DISAPPROVED:~~

Vernice Ferguson

VERNICE FERGUSON, R.N., M.A., F.A.A.N.
Deputy Assistant Chief Medical Director
for Nursing Programs

ATTACHMENT B-1

PROGRESS REPORT, PL 96-330, SECTION 115

PERSONNEL

1. The work study student is now working about 10 to 20 hours per week. She continues to assist with reviewing and organizing the literature for the pilot projects (on-site child care, compressed work week, tuition reimbursement).

2. Other personnel: VACO Position Management Committee approved the request on January 22, 1982, for the research assistant to be assigned to the project located at the Richmond VAMC. The computer program analyst will be assigned to the project as part of the current ceiling in the ADP System Management Office, VACO.

PROJECT PHASES

Phase I - Use of Statistical Data

a) Arrangements are being made with ADP System Management Office and Office of Reports and Statistics to retrieve data pertinent to the findings of the nationwide survey of nurses.

Timetable: January-March, 1982

b) A plan for monitoring the impact of special salaries, using statistics already available as well as selected interviews, is being developed.

Timetable: February, 1982

Phase II - Interventions Implemented to Improve Nurse Retention

All Chief Nurses were asked to describe their efforts used since August, 1980, to improve nurse recruitment and retention. Data analysis has been initiated.

Timetable: Final Report (2/82)

Phase III - Professional Nurse Survey

The survey forms for the head nurses and staff nurses have been published and mailed. AFGE has requested that we negotiate the content of the survey questionnaire and the results of the data analysis.

Timetable:

a) Union review and negotiation of concerns related to the questionnaire. (February 9-12, 1982)

b) Survey forms mailed to head nurses and staff nurses (January 20-29, 1982)

c) Data edited, coded and computerized. (March, 1982-May 15, 1982)

d) Survey report completed. (Targeted for July, 1982)

ATTACHMENT D-2

Phase IV - Pilot Projects

Criteria for selection of pilot project sites have been developed in consultation with Central Office Nursing personnel. The protocol for the project has been revised following consultant input.

The selection of pilot projects is contingent on the results of the survey questionnaire. Because the timetable for the questionnaire has been altered, the timetable for the pilot projects has been changed.

Timetable:

a) Selection of pilot project sites. (February, 1982)

b) Arrangements for data collection where interventions are already in place. (February, 1982)

c) Introduction of intervention in pilot project sites. (May, 1982)

d) Interim evaluation of pilot projects. (August, 1982)

e) Selected reports solicited from pilot project sites. (December, 1982)

f) Data collection completed on pilot projects. (February 1983)

g) Draft of report routed through C.O. Nursing Service. (April, 1983)

h) Final report leaves C.O. Nursing Service for CD review. (July, 1983)

PROJECT DETERRENTS

The project continues to function with minimal staff. The project has been delayed by the Union (AFGE) response and requests to negotiate the contents and analysis of the questionnaire to the staff nurses.

PROJECT ASSETS

The enthusiasm and comments from nurses in all positions in the system have been invaluable. The administrative assistant, Nursing Service, VACO, has been especially supportive and productive. She has been the principal liaison person for the considerable communication and actualization of the project.

ATTACHMENT B-3

DETAILED BUDGET FOR FIRST 12 MONTH BUDGET PERIOD
DIRECT COSTS ONLY

FROM OCTOBER 1981[1] THROUGH SEPTEMBER 1982
DOLLAR AMOUNT REQUESTED

TITLE OF POSITION	TOTALS[4]
Project Director, GS-12/5	$35,214
Research (Statistical Assistant) GS-9[2]	$21,425
Secretary (Steno) GS-6/7	$18,916
	$75,555
Computer Program Analyst, GS-12[3]	

[1] The salary presented is for a 12 month period. The actual cost for FY '82 would be less given that position for the research assistant has not been filled.

[2] Research Assistant is needed to assist in literature review and tool development for data collection in the Pilot Projects to supervise coding of data forms from the survey, and to assist in statistical analysis.

[3] Salary not included. Position will be part of current ceiling of Automated Data Processing Management Service, who have agreed to provide periodic assistance on an "as needed" basis. Estimated time is ten hours per week.

[4] Includes salary and fringe benefits.

			COST CENTERS
CONSULTANTS	5 Conferences at $5,000	$25,000	
	Project site visits by selected consultants (4 visits)	$7,000✓	811.001
TRAVEL (Project Director) VACO to meet with DACMD		$2,000	
TRAVEL (Project Director) Pilot Project Site Visits (9 sites)		$7,500✓	870
EQUIPMENT	Typewriter - continued need for high quality product	$1,000	

Question 6. In your testimony, you mentioned that "The rate at which VA facilities have been requesting increased salary schedules (under Section 4107(g)(1) of Title 38) has declined."

A. How many requests for increased salary schedules has VACO received monthly since Public Law 96-330 was enacted?

B. How many of these request have been for increases for nurses and how many for other health services personnel?

C. How many such requests are pending at VACO at present?

D. With regard to requests for increased salary rates received and acted on to this point --

(i) What has been the rate of approval?

(ii) What is the average elapsed time between the time a request has been received in VACO and final action is taken?

E.(i) How many requests have been received under Section 4107(e)(10) of Title 38, as added by Public Law 96-330, for increased rates of additional pay?

(ii) How many have been approved?

(iii) (If any) How many are now pending?

Answer 6. The Department received an average of 8 requests a month for increased salary schedules between December, 1980 and January, 1982. Between January, 1982 and April, 1982, this number has declined to an average of 4 per month. All of these requests have been for RN's, as requests for special salary rates for GS health care personnel are sent directly from field facilities to the Office of Personnel Management. (OPM) Only 5% of these requests have been disapproved. Ninety-five percent have been approved either completely or partially.

There are presently 6 requests in VA Central Office pending approval. The average processing time varies between 4 to 6 weeks.

No requests for additional pay under Section 4107(e)(10) of Public Law 96-330 have been approved to date.

Question 7. In your testimony, you noted that DM&S "is refining its pay-setting practices so that VA facilities will be able to pay rates more closely matching community practices"

A. Please describe these refinements briefly and in detail for the record.

B. When will these refinements be made?

C. Will the new approach allow the agency to attach monetary values to non-pay elements offered to nurses by other, non-VA facilities, so that the VA can, if appropriate, attempt to match such benefits with increased pay?

Answer 7. The Agency has determined that it will set rates of pay by surveying the major competitors in the community, and weighting the pay rates by the size of the facility and the number of RN's it employs. This is in contrast to the present practice of averaging all community data.

The Agency is now surveying the community for comparability at Associate Grade, which is where the community places the emphasis of its recruitment, in lieu of the Junior Grade level.

The Agency has redefined the degree of pay compression it will permit between grade levels. It will now concentrate on insuring that more of the monies available are allocated to the entry-level salaries of the lower grades, where the competition is greatest, and less to the higher steps of Full and Intermediate grades, at which rates VA RN's are typically receiving salaries in excess of community practice.

The Department also determined that it would permit facilities to survey competitors for its premium pay practices and for its total compensation package including benefits if it appeared these factors had an impact on the VA's ability to recruit and retain RN's.

The concepts of surveying for comparability at Associate Grade and for reducing the increases at the higher grades are already in effect. Regulations and policies for surveying for fringe benefits and premium pay practices, and for weighting community data, are being prepared, and could be published in 4 months if no significant difficulties develop in the labor management process.

Question 8. You note that the VA has become "more attractive as an employer" to nurses because of changes in the economy. Is it likley that when the economy begins to improve, as the administration predicts it will shortly, the agency will become less competitive with private employers in terms of nurse recruitment and retention?

Answer 8. The Department will not become less competitive with private employers in terms of nurse recruitment and retention if and when the economy begins to improve. The Department attempts to adopt a competitive posture at its facilities under a broad range of circumstances.

However, economic improvement may result in some RN's leaving the work force, and the universe of available RN's will decrease. The Department will in all likelihood share in these losses in an amount proportionate to its total RN employment level. Its employment levels may decrease, but its relative competitive position should not change in its labor market.

Question 9. One point that was reflected in the legislative history of Public Law 96-330, although no legislative change was considered desirable, was the view of both committees on Veterans' Affairs that VA nurses should participate to a greater degree in DM&S management, both at VACO and at individual VA medical centers. At VACO, this change was met in part by the elevation of the Director of Nursing Service to a Deputy Assistant Chief Medical Director position, a change I personally urged and supported very strongly.

(i) Ms. Humes, could you tell us what similar changes have been made and are still occurring in the field to provide for greater nurse participation in management at the local level?

(ii) Please amplify on that answer for the record.

Answer 9. The focus of similar changes that are being made at individual VAMC's include:

- Experimentation with organizational structures that promote effective and efficient nursing care delivery with increased decentralization of decision-making to the nursing unit level;
- Creation of climate to facilitate attainment of professional career goals;
- Use of management approaches that improve utilization of the nurse resource and quality of patient care;
- Planned participation of nursing in long and short term goal development and in decision-making related to patient treatment programs; renovation/construction and change in management systems;
- Inclusion of Nursing representation on Executive and Budget Committees and Dean's Committees.

Question 10A. If the Health Professional Scholarship Program is amended to permit the VA to offer multi-year scholarships with funds appropriated for FY 1982, would the agency seek to use that authority for the coming school year?

Answer 10A. Yes.

Question 10B. If it were possible to do so, would the VA offer scholarships for more than two years of schooling?

Answer 10B. Priority will be for the final one or two years of schooling leading to a Bachelor's or Master's degree.

Question 11. If the Scholarship Program were amended to permit participation on a part-time basis, would the agency seek to use such authority for the coming school year?

Answer 11. No. We would prefer to await analysis of the results of the study mandated by section 118 of PL 96-330. If tuition reimbursement was an important factor in nurse retention and/or recruitment, we would consider potential mechanisms separate from the Scholarship Program.

Question 12A. If Congress were to want to provide authority for part-time nurse scholarship participation, would there be any reason to limit the length of time of scholarship-supported part-time study?

Answer 12A. Yes. One or two years. Since a scholarship for both VA and non-VA nurses attending school on a part-time basis would take funds from the program designed for full-time students, it should not delay the pay-back obligation. We do not support such a use of scarce funds.

Question 12B(i). Again, if Congress were to want to provide for part-time scholarship study, would you favor applying to the part-time program the full-time participant minimum service requirement of two years?

Answer 12B(i). Yes.

Question 12B(ii). (If yes) would not such a minimum-service requirement make the program unattractive to some potential part-time participants, especially those who would like to receive a scholarship to attend school on a part-time basis for less than two years, and thereby discourage their participation and thereby their recruitment and retention?

Answer 12B(ii). The purpose of the scholarship program, as contrasted to tuition reimbursement, is to provide the recruitment of a group of nurses new to the VA system. In addition, some VA nurses will be able to complete their degree because of the stipend. We believe it is inappropriate to divert scholarship funds to a tuition reimbursement program that is not proven to be an important retention element. The VA cannot guarantee a scholarship to prospective employees. A part-time program would only assist retention through obligated service requirements.

Question 13. As you know, Public Law 96-330 provided the Administrator with important new authorities under which the Administrator can increase rates of pay for various health-care personnel -- Section 4107(e)(10) of Title 38 relating to authority to increase rates of additionaly pay for nurses and Section 4107(g) of Title 38 relating to authority fo ncrease rates of basis pay for all VA direct health-care personnel and for those personnel providing services incident to direct care. Now, over 18 months after these provisions were enacted, neither of these authorities has been fully implemented.

A. What is the explanation for this situation?

B. Section 11 of S. 2389 would require the agency, within 90 days of the date of enactment, to publish proposed regulations for the implementation of these two authorities. When do you now plan to publish such regulations?

Answer 13. Public Law 96-330 contained a wide range of pay flexibilities for the Department's health care personnel. The Department concentrated on implementing those with the highest priority in terms of their potential effectiveness. These included Physician and Dentist Special Pay, as well as special salary rates and salary ranges for RN's.

The Agency concentrated on improving basic RN salary rates as the most fundamental approach to improving its competitiveness. With this program now well established, the Department intends to implement the flexibility providing for additional rates of pay for nurses as one of the pay refinements discussed in Question 7.

The Department had to place a lower priority on developing its program for providing increased rates of basic pay for all VA direct health care personnel and for those personnel providing services incident to direct care. The special pay rate program administered by the Office of Personnel Management, while not fully responsive to the Department's needs, did provide some relief for the most pressing cases. This alternative was not available to the Department for implementation of the above referenced Physician Special Pay and RN pay programs.

The Agency has written proposed regulation for implementation of the special pay program for GS employees. This policy could be published in three to four months, if no significant delays occur in the labor management discussion/negotiation process.

Question 14. In your testimony, you noted that DM&S, utilizing the authority provided in Public Law 96-330, has "authorized 65 facilities to pay above-minimum salary step rates at one or more grade levels. . . . .(and) 22 facilities to establish special salary ranges at one or more grade levels which exceed the normal Title 38 pay ranges." For the record, please provide data on the number of nurse vacancies that existed at each of these facilities 6 months prior to and 6 months after the increased pay rates went into effect.

Answer 14. Under Public Law 96-330, 24 VAMC's have been authorized to establish special salary ranges at one or more grade levels. The number of nurse vacancies that existed at each of the facilities 6 months prior to and 6 months after the rates went into effect are listed below:

VAMC	Date Approved	6 mos. prior	6 mos. post
Brentwood	11/81	19.1	14.7
Chicago (Lakeside)	11/81	25.9	22.4
Chicago (Westside)	11/81	+14.8	+2.3
Cleveland	9/81	53.0	75.0
Fresno	11/81	5.7	5.0
Hines	11/81	12.0	+26.1
Livermore	11/81	7.2	+ 3.9
Loma Linda	2/82	9.2	too soon
Long Beach	11/81	11.6	3.4
L.A. - OPC	11/81	2.0	2.0
Martinez	11/81	11.0	3.7
North Chicago	11/81	33.0	7.0
Palo Alto	11/81	20.6	4.3
Philadelphia	8/81	not reported	28.0
Reno	7/81	9.6	15.8
Oklahoma City	8/81	6.6	14.0
San Diego	4/81	0	0
San Francisco	11/81	not reported	7.6
Sepulveda	11/81	14.0	3.9
Wadsworth	11/81	38.2	25.1
New Orleans	2/82	26.1	too soon
Denver	3/82	19.0	too soon
Kansas City	4/82	24.2	too soon
Leavenworth	4/82	26.3	too soon

Question 15A. In your testimony regarding the Exchange of Medical Information grant authroity, you noted that "in the past 15 years, 64 pilot projects, including 17 grants, have been funded."

How many of these projects are ongoing in FY 1982?

Answer 15A. Five.

Question 15B. How many of these projects will continue to be funded from the medical care appropriation in FY 1983 if the grant authority is not extended?

Answer 15B. Zero.

Question 16. In testimony prepared for today's hearing, the witness presenting nurses of the VA — N.O.V.A. — advocates amending present Section 4107(e)(5) to provide for overtime pay based on the nurse's actual salary rate in all cases.

A. Would the agency support such an amendment?

B. What is the fundamental policy that is being served by limiting the overtime rate of pay in the cases of those whose basic pay is above the minimum rate of the intermediate grade of the nurse schedule?

Answer 16. Title 5 U.S.C. limits overtime pay to one and one-half times the rate for GS-10, Step 1. The statutory use of Intermediate Grade, which is equavalent to GS-11, is more advantageous for RN's than the GS-10 level used in Title 5.

The present limit on overtime pay has not placed the Agency at any demonstrated competitive disadvantage with other employers. Within the parameters of limited resources, the Agency believes it can obtain more cost-effective benefits from funding other pay-related flexibilities already available to it, such as higher basic salaries.

Question 17. S. 2233 -- Now pending in the Committee would authorize the VA to pay incentive special pay under Chapter 73 of Title 38, U.S.C., to psychologists employed in DM&S who have passed their specialty Boards. Please provide information, for the record, on the Agency's need for Board Certified Psychologists and current efforts to recruit and retain such psychologists, including information on the extent to which those efforts are successful, the number of vacancies at present for which the Agency is seeking such a Psychologist, the average length of time it takes to fill such vacancies, and the rate of turnover for such Psychologists in DM&S.

Answer 17. The Veterans Administration has not identified a need for Board Certified psychologists. The Agency presently has the authority to provide the incentive pay to the physicians and dentists. It actively solicited this authority from Congress, and uses it to alleviate recruitment and retention difficulties for these occupations. The Department is not experiencing any widespread difficulties in recruiting and retaining psychologists. From this standpoint, authority for providing incentive special pay for psychologists appears not to be necessary at this time.

The Department of Medicine and Surgery employs a wide variety of health care personnel whose professional societies offer a range of accreditations, certifications, diplomas, etc. At the present time, the Department does not have a mechanism for providing additional incentive pay to any of the competitive service (General Schedule) employees who attain such recognition. If such a posture were to be adopted, consideration should be given to instituting the practice for all professional employees on an integrated basis. It may prove counterproductive to recognize one group of employees in the absence of a compelling need or a clear justification to do so. For these reasons, the Department has not made extraordinary efforts to recruit and retain Board Certified psychologists.

During Fiscal Year 1981, one hundred and sixty-six psychologist losses from DM&S employment occurred. During Fiscal Year 1981, there was an average of 64 budgeted vacancies throughout the year with a range of 61 to 69 vacancies per fiscal quarter. The time-lapse for the recruitment and filling of Chief Psychology positions during the past year has ranged from two months to eleven months. Data is not available to determine the time-lapse for recruitment of staff psychologists. The Department of Medicine and Surgery replaced 34 Service Chiefs in 1981 and approximately the same number in 1980. The VA has experienced an overall turnover rate of psychologists for the past several years of approximately 12 percent per year.

Question 18A.

With reference to the proposal to amend section 5053(a) of title 38 to permit the VA to share specialized medical resources with State veterans' homes, to what extent is there a significant problem at present that this amendment seeks to address?

Answer 18A.

This proposal does not address a significant problem, but would provide for an insignificant amount of cost reimbursement. The VA pays per diem to State homes for the level of care provided; domiciliary and/or nursing home care and in seven homes, hospital care. The home has the responsibility to provide all that is required for that care either through its own staff or by contracting with community resources. Some homes have sent their patients to nearby VA hospitals for such services as physical examinations, EKGs, radiology and laboratory tests, dental services and diagnostic tests. The VA is thus providing services which the per diem payments should cover.

This proposed legislation would allow State homes to enter into contracts with a VA medical center to provide needed medical services if the VA medical center has the resources to handle the additional demand. A State home would have the option of purchasing services from the VA or elsewhere.

Question 18B.

In your testimony, in reference to the VA providing care under this authority, you mention the provision of care only to eligible veterans. Does this mean that no non-veterans could, or would be intended to be, treated in VA facilities under this authority?

Answer 18B.

On the basis of a sharing agreement between a VA medical center and a State home, it would be intended that services from the VA could be provided for non-veteran residents of the home.

Question 18C.

With respect to the VA furnishing outpatient services under such authority, what would be the advantages and disadvantages of providing the care through the new sharing authority you propose rather than directly?

Answer 18C.

As mentioned in 18A, the State home has the responsibility to provide all that is required for the level of care for which per diem payments are made either through its own staff or by contracting for community resources. The VA, by providing outpatient services under a sharing agreement rather than directly, would be reimbursed for its services. A State home which does not have the capability to provide all services directly would have the advantage of making an agreement with the VA if it found that the VA could provide the services more conveniently or at less cost than other community resources.

Question 19D. (i) Would you propose to provide inpatient care under such a sharing agreement with a State home?

(ii) [If so] What would be the advantages and disadvantages of providing inpatient care through a sharing agreement rather than admitting the veteran directly into a VA facility?

Answer 18D. Inpatient care is not proposed. It is expected that when a State home veteran patient needs a hospital level of care, he or she would be admitted (transferred) to a VA hospital. It is also expected that patients in State homes receiving a hospital level of care would be admitted (transferred) to a VA hospital if the care needed was beyond the capability of that available in the State home hospital.

Question 19A. With reference to the proposed amendment to section 5054(a) of title 38, which would permit the VA to enter into agreements to share medical information and techniques with State veterans' homes,

Who would pay any costs associated with the sharing of medical information under this authority?

Answer 19A. The State home would pay any fees associated with the sharing of medical information under this authority.

Question 19B. Since, according to your testimony, the apparent goal in this regard is to provide State homes with "access to advanced medical information and techniques available in V.A. medical center", would not that goal be met by an amendment to subsection (b) of section 5054, under which the VA is authorized to charge the recipient a fee?

Answer 19B. It is believed that the fee in 5054(b) refers to the medical information and techniques developed under 5054(a).

Question 20A. With reference to the proposals to change the current per diem rates paid to State veterans' homes under section 641 of title 38 — either by increasing the current rates authorized or, as proposed in S. 1034, restructuring the way in which the VA's payment to State homes is calculated — please state the extent to which, in the VA's view, State homes are appropriately making maximum use of alternative sources of revenue as recommended by G.A.O. in its October 1981 report entitled "State Veterans' Homes: Opportunities to Reduce V.A. and State Costs and Improve Program Management" (HRD 82-7).

Answer 20A. The use of alternative resources of revenue as recommended by GAO in its October 1981 report entitled "State Veterans' Homes: Opportunities to Reduce VA and State Costs and Improve Program Management (HRD 82-7)" could be applied more effectively by some States, especially those two States which do not charge veterans. However, there are several States already making maximum use of alternative resources and it is expected that during this time of fiscal constraint other States will begin to use all alternative resources.

Based on the survey made by the National Association of State Veterans Homes, of the 32 States all but 2 have charging procedures. One of these States is about to institute a charging policy. Each State varies as to its charging policies. While some States use several revenue sources to charge veterans (compensation and pension; aid and attendance; social security; Medicare/Medicaid; and other sources), other States use only a few revenue sources. Twenty-seven States with forty homes collect monies from pensions, and 39 homes collect monies from social security payments. There are 7 States with homes certified for Medicare, but only 6 received funds in 1981. There are 6 States with homes certified for Medicaid but only 5 received funds in 1981. Two States charge veterans the full cost of care less VA per diem payments. Twenty-five States with 37 homes allow veterans an exemption or retention of some income but charge an amount up to a maximum charge or full cost of care. Three States charge on some other basis.

Question 20B(i). In your testimony, you noted your concern that enacting the formula proposed in S. 1034 would increase the difference between the domiciliary and nursing home per diem rates and that this would lead, in turn, "to the conversion of more domiciliary beds to nursing home beds".

Why do you make this point?

Answer 20B(i). It is believed that State homes would be seeking the higher per diem rates for nursing home care and that domiciliary care would continue its declining trend. Domiciliary operating beds have declined from 9,944 in FY 1971 to an estimated 6,891 in FY 1981, while nursing care beds rose from 4,020 in FY 1971 to an estimated 6,891 in FY 1981. Nursing home care is going to be in great demand in the next decade and the homes would have strong incentive because of a greater difference in rates to convert the domiciliary beds to nursing home care beds, and perhaps accept only nursing care patients.

Question 20B(ii). Do you intend to suggest that this would be an undesirable thing to happen and if so, why?

Answer 20B(ii). It is not intended to suggest that this would be an undesirable thing to happen provided the need is greater for nursing home care than domiciliary care. However, it is believed there will remain some population of veterans who need domiciliary care and there is a concern that if incentives are greater for nursing home care, the States may choose to move in this direction. If this happens, then the domiciliary population of veterans may not have their needs met as they have since the State Home Program began in 1888.

Question 21

In your report to Congress a year ago "on health care for veterans in Puerto Rico and the Virgin Islands", Tables 8 through 12 provided statistical comparisons of levels of VA health care in Puerto Rico and the Virgin Islands with levels of VA care in the United States. For the record, please update these statistics with the most current information available and also provide data showing the dollars spent and visits for fee-basis care provided in Puerto Rico, the Virgin Islands, Alaska, and Hawaii in fiscal years 1979, 1980, and 1981, and as projected for FY 82 and 83.

Answer 21

(a)

TABLE 8 FY 81

BED SECTION	SAN JUAN	All VAMC's
Medicine	17.5	13.4
Surgery	14.6	13.1
Psychiatry	24.2	23.6
Average for all bed sections	18.5	15.0

TABLE 9 FY 81

BED SECTION	SAN JUAN	All VAMC's
Medicine	84.2	81.4
Surgery	91.3	73.7
Psychiatry	92.9	85.2
All	88.9	80.9

Answer 21 (continued)

TABLE 10 FY 81

BED SECTION	SAN JUAN	All VAMC's
Medicine	50.9	23.4
Surgery	20.4	10.1
Psychiatry	18.3	5.5
All	89.5	39.0

TABLE 11 FY 81

BED SECTION	SAN JUAN	All VAMC's
Medicine	31.7%	23.4%
Surgery	34.3%	27.4%
Psychiatry	78.7%	26.7%
All	46.2%	25.2%

TABLE 12 FY 81

TYPE OF CARE	PUERTO RICO & VIRGIN ISLANDS	VA SYSTEM
	Rate per 1,000 veterans	
Staff	1106.9	526.6
Fee	437.6	70.0
	Percentage SC	
Staff	37.3	44.2
Fee	50.3	71.1

(b)

Puerto Rico	Fee Visits	$
FY 79	74823	$2,661,063
80	87326	2,804,202
81	75567	2,448,048
82	69556	2,476,788
83	64400	2,548,055
Virgin Islands		
FY 79	3938	$ 263,182
80	4596	277,338
81	6052	242,114
82	6048	244,956
83	5600	252,005
Alaska		
FY 79	22,235	1,168,577
80	25,977	1,800,456
81	28,339	1,819,458
82	53,000	2,087,195
83	45,391	1,875,769
Hawaii		
FY 79	6291	190,997
80	8943	238,673
81	7985	300,467
82	8052	310,[illegible]
83	7313	172,[illegible]

Question 22. In testimony prepared for today's hearing, the [illegible] witness raised concerns about the provisions in Section 4108 of Title 38 that prohibit full-time Title 38 employees from engaging in outside professional activity. Specifically, NOVA described these provisions as "archaic" and later noted that "to receive honorariums, consulting fees, etcetera, a bureaucratic, red tape system of paperwork approval must be adhered to." Please provide your comments on these statements together with any recommendations for legislative or regulatory change in this area.

Answer 22. The current authority related to outside professional activities does limit nurses from holding an outside position for remuneration in clinical nursing practice. Because of the continuous nature of the services rendered at VAMC's the primary consideration is to assure that each full-time nurse fulfills the professional obligation to provide the best possible care and treatment for veteran patients, including full availability to meet around the clock nursing care needs of patients.

The provisions have remained consistent since inception of DM&S that key health care personnel such as nurses would receive special treatment under the law (pay and benefits) in return for full availability to meet patient care needs. Those activities that do not involve responsibility for care of patients, such as teaching and consultation, can be authorized when participants continuously demonstrate their ability to satisfy their primary full-time obligation.

Chairman **Simpson**. The next group before us includes John Sommer, deputy director of the national veterans' affairs and rehabilitation commission, accompanied by Paul Egan, deputy director of the national legislative commission, from the American Legion, and James Magill, special assistant to the director of the national legislative service, from the Veterans of Foreign Wars of the United States.

It is nice to have you both here this morning.

TESTIMONY OF A PANEL OF REPRESENTATIVES OF VETERANS' ORGANIZATIONS: JOHN F. SOMMER, JR., DEPUTY DIRECTOR, NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION, THE AMERICAN LEGION; ACCOMPANIED BY PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION; AND JAMES N. MAGILL, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. **Sommer**. Thank you, Mr. Chairman. My name is John Sommer and I am deputy director of the national veterans' affairs and rehabilitation division of the American Legion.

I will present a summary of our prepared statement as well as some other remarks and would appreciate it if our full statement is incorporated into the record.

Chairman **Simpson**. You probably saw that the light is back in operation, didn't you?

Mr. **Sommer**. Yes, sir.

Chairman **Simpson**. I thought so. OK, thank you.

Mr. **Sommer**. Mr. Chairman, the American Legion views favorably each of the proposals under your consideration today. We especially wish to express our support for the provisions which would improve the payment of per diem and authorize the appropriation of funds for the purpose of making grants to States for the construction, remodeling and renovation of State veterans' homes, and for the proposals to continuing funding for the nurse scholarship program, as well as the other amendments which would improve the ability of the Department of Medicine and Surgery to attract nurses into the service of the Veterans' Administration.

Recruitment and retention of registered nurses in the VA has become increasingly difficult because compensation and fringe benefits are inadequate in comparison with what is being offered in the private sector.

We pointed out in our statement a number of medical centers where difficulties in hiring and keeping nurses have forced the closure of beds and wards.

Mr. Chairman, I will now depart from our prepared statement in order to present additional information in support of the proposed legislation.

In reviewing a recruitment bulletin published by the VA on March 15, 1982, there are a total of 870 nursing vacancies not including an additional shortage of 262 licensed practical nurses. Some examples of facilities with large numbers of vacancies as listed in the bulletin are: VA Medical Center, Cleveland, 40 staff nurses; VAMC Battle Creek, 15 intermediate care, 15 psychiatry, 1

geriatrics, 1 infection control; VAMC San Francisco, 10 staff, 6 critical care, 4 medical intensive care, 3 cardiac care; VAMC Memphis, 16 staff, 14 critical care; VAMC Phoenix, 10 staff, 5 surgical intensive care, 5 medical intensive care, 5 geriatrics; VAMC Augusta, Ga., 10 staff, 5 surgical intensive care units, 5 psychiatry, 1 geriatrics; VAMC Loma Linda, 24 staff nurses.

These are but a few examples of the critical nurse shortages existing within the VA medical care system. And the problem will only continue to worsen unless fringe benefits and inducements are included to attract nurses.

The American Legion strongly urges favorable action on these proposals. An exacting need for flexibility in providing fringe benefits within the nursing service has been demonstrated. And the American Legion feels that the time to act on this is now.

Mr. Chairman, that concludes our statement.

Chairman SIMPSON. Thank you very much.

[The prepared statement of John F. Sommer, Jr., deputy director, national veterans affairs and rehabilitation commission, follows:]

PREPARED STATEMENT OF JOHN F. SOMMER, JR., DEPUTY DIRECTOR, NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION, THE AMERICAN LEGION

Mr. Chairman and Members of the Committee:

The American Legion appreciates the opportunity to present its views to the Committee today on the several legislative proposals scheduled for your consideration.

In general these measures would extend the Veterans Administration's authority to provide contract medical care in Puerto Rico and the Virgin Islands; to make grants related to State Veterans Homes; to provide grants to medical schools to improve their training capacities; to continue to carry out the exchange of medical information program; and to provide funding for the VA nursing scholarship program, as well as other matters relating to the recruitment and retention of nurses in VA service.

Mr. Chairman, we shall now address the legislation currently under consideration.

S. 1034 - to provide a more equitable formula for payments by the Administrator of Veterans Affairs for the cost of care provided in State nursing homes to veterans eligible for such care in Veterans Administration facilities.

Section 641 of the title currently provides that the Administrator shall pay each state at the per diem rate of $6.35 for domiciliary care, $12.10 for nursing home care, and $13.25 for hospital care. In no case shall the payments made with respect to any veteran under this section exceed one-half of the cost of the veteran's care in such State home.

As amended by S. 1034, section 641 would provide that the Administrator shall pay to each State for the purpose of reimbursing the States for the cost incurred in providing domiciliary care, nursing home care, and hospital care in State homes to veterans eligible for such care in Veterans Administration facilities, a per diem rate of payment of 30 per centum of the average per diem cost of providing each of the foregoing three categories of care to veterans in Veterans Administration facilities over which the Administrator has direct jurisdiction.

This proposal further provides that in no case may the payment made under this section with respect to the care of any individual veteran in a State home exceed one-half of the current cost of that veteran's care in such state home.

Payments to the States under the provisions of S. 1034 would be made at such intervals as the Administrator considers feasible, but not less often than once per quarter; and the measure provides that the Administrator shall redetermine per diem rates of payment not less often than once each fiscal year, based upon costs during the preceding fiscal year of providing care in Veterans Administration facilities over which the Administrator has direct jurisdiction.

The American Legion's position on this issue is set forth in Resolution No. 10 (Vermont), approved by the Delegates to our 1980 National Convention (copy attached hereto).

Although the proposal cited in our resolution is more liberal than that contained in S. 1034, the Legion would certainly not object to the enactment of this bill, as it would provide a substantial improvement in the per diem payments to the State homes, and would partially satisfy the intent of Resolution No. 10.

S. 2383 - to extend the authority for the program of grants to States for State home facilities, and for other purposes.

Section 2 of this measure would amend section 620A(f) of the title, by providing a one year extension of the date by which the Administrator shall report to the Committees on Veterans Affairs of the Senate and House of Representatives on the findings and recommendations of the Administrator pertaining to the operation of the pilot program on the treatment and rehabilitation of alcohol or drug dependence or abuse disabilities under which the Administrator may contract for care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers and other community-based treatment facilities for eligible veterans suffering from such disabilities.

The American Legion would not object to such an extension as it is apparently necessary for the purpose of providing a sample of information of sufficient scope to constitute a substantive report on the program.

The American Legion is fully supportive of the VA's Alcohol and Drug Treatment and Rehabilitation program, and the Legion considers the further expansion of the program to be a vital element of the Veterans Administration medical care program for veterans. Resolution No. 345 (Virginia), of the 1980 National Convention, sets the policy of The American Legion on this subject.

Section 3 of S. 2393 would amend section 643 of the title by removing the requirement of an individual being a war veteran in providing that payments on account of any veteran cared for in a State home shall be made under Subchapter V of chapter 17 of the title only from the date the Administrator receives a request for determination of such veteran's eligibility. If such request is received by the Administrator within ten days after care of such veteran begins, payments shall be made on account of such veteran from the date care began.

The American Legion has no objection to this technical amendment.

Section 4(a) of this bill would amend section 5033 of the title by extending through September 30, 1986, the authority for the Administrator to make grants to States to assist in the construction, alteration, modernization, and repair of State homes. Under current law, such authority would expire on September 30, 1982.

The American Legion strongly supports the intent of this legislation. State Veterans homes provide for the extended care of thousands of disabled and elderly veterans, the responsibility for whom would fall upon the Veterans Administration but for the existence of the State facilities.

Our position on this important subject is set forth in Resolution No. 9 (Vermont), of the 1980 National Convention, a copy of which is attached.

Section 4(b) would amend section 5053(a) of the title so as to include State home facilities furnishing domiciliary, nursing home, or hospital care to veterans among those facilities with which the Administrator may, if it is determined to be in the best interest of the prevailing standards of the VA medical care program, make arrangements to secure certain specialized medical resources which otherwise might not be feasibly available, or to effectively utilize certain other medical resources.

The sharing of resources between the VA and State homes should prove to be beneficial, and the Legion would support this proposal.

Section 4(c) would amend section 5054(a) so as to include State homes among the facilities with which the Administrator shall provide a close educational, scientific, and professional link with the Veterans Administration medical centers for the purpose of a free exchange of medical information and techniques through the use of recent developments in electronic equipment.

It is our feeling that such a link between the VA, State homes, and other medical facilities for the purpose of exchanging information would be helpful to all parties involved, and we support the enactment of this section.

S. 2384 - to extend the authority for the provision of Veterans Administration health care by contract in Puerto Rico and the Virgin Islands.

This measure would amend section 601(4)(C)(v) of the title by providing a one year extension to September 30, 1983, of the authority to provide contract hospital care and medical services in the commonwealth of Puerto Rico and the Virgin Islands.

The Legion is in support of such an extension of authority as it would continue to provide medical services to veterans residing in these possessions of the United States.

S. 2385 - to modify the VA Health Professional Scholarship Program, and for other purposes.

This proposal would, in part, amend section 4142 of title 38, to include among those eligible to participate in the Veterans

Administration Health Professional Scholarship Program, any individual employed by the Department of Medicine and Surgery at the time such individual submits an application therefore. Such employee applicant may be enrolled in a course of training leading to a professional degree in one of the health sciences as set forth in this section, on a part-time basis.

A new subsection would be added to provide that if a participant is awarded a scholarship as a part-time student, the obligation of the student to serve as a full-time employee in the Department of Medicine and Surgery for a period of time as specified in subsection (e)(1)(B)(4) of section 4142, the amount of the stipend payable under subsection (F)(1)(B), and the length of the scholarship which can be awarded, shall be adjusted in accordance with the proportion that actual credit hours taken bear to credit hours required of a full-time student.

Such a scholarship would be provided to any part-time student for not more than four school years. The period of obligated service for any part-time student is not less than two years to be served after the applicable date described in section 4143(b)(3) of the title.

Section 2 of S. 2385 would make a technical amendment to section 4143(c) of the title relating to commencing date of obligated service.

Section 3 of the bill would provide that within amounts provided to the Medical Administration and Miscellaneous Operating Expenses Appropriation in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, Public Law 97-101, and notwithstanding section 404 thereof or any other similar provision of law, the sum of $4 million shall be available until expended only to carry out the program established by section 4141 of the title.

The American Legion is strongly supportive of the VA Health Professional Scholarship Program, and we would not object to any of the foregoing amendments. Our concerns about the recruitment and retention of nurses in VA service will be addressed later in this statement.

S. 2389 - to be cited as the "Veterans Administration Health-Care Programs Improvement and Extension Act of 1982."

Section 2 of this measure would amend section 601(4)(c)(iv) of the title so as to read "(iv) hospital care for women veterans, and medical services described in clause (1) of section 612(f) of this title for a woman veteran if the Administrator has determined, based on an examination by a physician employed by the Veterans Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangment that a medical condition of such woman veteran relating to her gender precludes appropriate treatment in facilities described in clauses (A) or (B) of this paragraph."

At present a large number of VA medical centers retain Gynecologists on a contract basis. The American Legion would have no objection to this amendment of the law.

This section of the measure would also amend section 601(4)(c)(v) of the title so as to read "(v) hospital care, medical services that will obviate the need for hospital admission, or examinations and diagnostic services described in section 611(a) of this title for veterans in a State not contiguous to the forty-eight contiguous States, except that the annually determined hospital patient load and incidence of the provision of medical services to veterans hospitalized or treated at the expense of the Veterans Administration in Government and private facilities in each such noncontiguous State shall be consistent with the patient load or incidence of the provision of medical services for veterans hospitalized or treated by the Veterans Administration within the forty-eight contiguous States, but the authority of the Administrator under this subclause (except with respect to Alaska and Hawaii) shall expire on September 30, 1983, and until such date the Administrator may, if necessary to prevent hardship, waive the applicability to the Commonwealth of Puerto Rico and to the Virgin Islands of the restrictions in this subclause with respect to hospital patient loads and incidence of provision of medical services;."

The American Legion is generally supportive of the provision of contract or fee basis medical services for those veterans residing in those states not contiguous to the continental United States, since VA facilities are not available to such veterans.

With reference to the extension of authority for contract care in Puerto Rico and the Virgin Islands, as previously mentioned, we support such an extension.

Section 3 of the bill would amend section 611(a) of the title so as to read "(a) The Administrator, within the limits of Veterans Administration facilities, may furnish (1) such physical examinations, including diagnostic services incident thereto, as are necessary for the purpose of determining the eligibility of individuals for, or the appropriate course of treatment in connection with, care and services furnished by the Administrator or for the purposes of otherwise carrying out laws administered by the Administrator, and (2) hospital care where necessary incident to such examinations."

The Legion would not object to the enactment of this provision.

Section 4 of S. 2389 would amend section 613 of the title so as to provide that, in the event an eligible spouse, surviving spouse, or dependent, after losing CHAMPVA eligibility by virtue of becoming eligible for hospital insurance benefits under Medicare, exhausts his or her Medicare coverage, such individual shall again be eligible for medical care under CHAMPVA and shall not thereafter lose CHAMPVA coverage by virtue of any renewed Medicare eligibility.

The enactment of this section would be beneficial to a relatively small number of individuals, and the Legion is supportive of the provision.

Section 5 of this bill would amend section 620A(f) of the title by providing a one year extension of the date by which the Administrator must report to the Committees on Veterans Affairs on the operation of the pilot program, and we previously voiced our support thereof.

Section 6 would technically amend section 643 of the title relative to State veteran homes, and as mentioned previously in this statement the Legion has no objection to the technical amendment.

Section 7 of S. 2389 would make amendments to section 4107 of title 38, USC, relative to the pay of VA health care personnel, and particularly that of nurses.

Clause (1) of section 7 would give the Administrator discretion, when necessary to recruit or retain nurses in the VA's Department of Medicine and Surgery to extend the period for which additional pay is paid for certain "weekend" work - currently limited to a period of work that occurs at least in part on a Sunday - to include some or all of a work shift that occurs on a Saturday. This clause would further amend this section to provide that any increase in rates of additional pay or any extension of the time for which additional pay may be paid may be made on a nationwide, local, or other geographic basis, provided that a specified finding has been made for the need for such change.

Clause (2) of section 7 would amend section 4107 by providing two new subsections which would authorize the Administrator to permit the use of flexible and compressed work schedules such as were described in regulations prescribed under the Federal Employees Flexible and Compressed Work Schedules Act of 1978, PL 95-399, which is currently scheduled to expire on July 4, 1982.

It would also authorize the Administrator, when necessary to recruit or retain registered nurses in DM&S, to allow nurses at individual VA facilities, subject to certain specified limitations relating to rates of pay and computation of leave, to work two twelve-hour tours of duty during a weekend and have such service be considered a full forty-hour workweek.

Section 8 of this proposal would amend section 4142 of title 38, relating to eligibility criteria for participation in the VA Health Professional Scholarship Program, to authorize the Administrator to provide scholarship assistance to individuals (VA employees and non-VA employees) and to make certain necessary conforming changes in the section.

Mr. Chairman, we are not going to address the technical points of sections 7 and 8, other than to state that we are in support of the intent of the proposals.

The American Legion is very much aware of the critical nationwide shortage of nurses in public and private hospitals, and particularly in the VA medical care system, where the shortage in VA medical centers has led to the closure of beds and interference with the delivery of quality care to sick and disabled veterans.

The recruitment and retention of registered nurses in the VA has become increasingly difficult because levels of compensation have been inadequate in comparison with what is being offered in the private sector.

It was our hope that the enactment of PL 96-330, the Veterans Administration Health Care Amendments of 1980, would help improve the recruitment and retention of these health professionals. However, the Administration's proposed VA Budget for FY 1983 does not include funding for the nursing scholarship program established under this law. Therefore, we were pleased to note that the scholarship program has been addressed in S. 2385 and S. 2389.

As a result of the Legion's serious concern regarding the critical nursing shortage, the National Executive Committee, at its meeting of October 14, 1981, approved Resolution No. 17 (copy attached herewith), which urges VA to undertake a study to develop programs to attract registered nurses into VA service, and to present the results of the study to Congress with request for additional funds and for legislative authority to implement programs that will attract nurses into the service of the VA medical care program.

We are aware that the VA recruitment and retention efforts for nursing personnel have been intensified, and The American Legion is supportive of these positive undertakings. However, the fact remains that hospitals in the private sector enjoy a freedom from the limitations and restrictions that constrain the Veterans Administration's recruitment and retention activities, and therefore have a substantially greater capability in offering fringe benefits and other inducements to attract nurses.

The enactment of legislation to authorize the Administrator to provide flexible work schedules for VA nurses would significantly increase the Department of Medicine and Surgery's ability to compete with the private sector in attracting and retaining nurses.

Mr. Chairman, I have here 58 reports on visits to VA medical centers prepared by the Legion's National Field Service staff between August 1979 and March 1982. These account for just short of one-third of the visits made during that period of time, and in no way reflect the total extent of the problem in nurse recruiting. Of course, some of the reports are no longer entirely accurate, because changes in staffing occur on a daily basis. However, these reports reflect a cumulative shortage of almost 2000 registered nurses.

We would now like to provide the Committee with information lifted from these reports which reflects the urgency of this situation.

Wood Wisconsin VAMC, May, 1981 - "Staffing shortages, especially within the Nursing Service, have already placed patient care in jeopardy. Ceiling is available for additional nurses, but recruitment is impossible. Reportedly, there are 800 registered nurse vacancies within the Milwaukee area. Everyone offers or pays more than the VA, thereby, amplifying the problem for VAMC Wood. Currently, due to insufficient nursing personnel, a 6 bed cardiac care unit, a 6 bed step down unit, and a 40 bed ward are closed."

Wadsworth VAMC, Los Angeles, June 1981 - "At the time of the survey, nursing service reported 47 registered nurse vacancies." "As a direct consequence of the inadequate nursing support, the surgical intensive care unit is only operating 6 beds even though 15 beds are authorized. The medical intensive care unit is authorized 10 beds, but can only operate 6 of these. Subsequently, a less than desirable situation exists."

Nashville VAMC, September, 1981 - "Nursing Service reported that recruitment is in progress for 12 registered nurses. Recently, this Medical Center was forced to temporarily close four medical intensive care unit beds because of the vacancies that existed for critical nurses. The Chief Nurse stated that the recruitment and retention of nurses is becoming increasingly difficult due to the salaries and the benefits that are offered in the private sector."

Houston VAMC, October, 1981 - "A high turnover in skilled nurses for intensive care and coronary care is being noted. This primarily is due to salary differential in community hospitals. Those leaving the VA can earn $4,000 to $5,000 more at other health care facilities in addition to having select working hours."

Danville, Illinois, October, 1981 - "Of particular concern to the Director is the difficulty ... in the recruitment and retention of registered nurses. Although this Medical Center is offering a competitive salary, it cannot match the benefits that are being offered in the private sector."

Chillicothe, Ohio, VAMC, October, 1981 - "Nursing Service reported that recruitment is in progress for 16 registered nurses and 28 licensed practical nurses. It is expected that the nurse vacancies will be difficult, if not impossible, to fill. Recently, the Ross County Medical Center, which is located near VAMC Chillicothe, offered its nurses a new package of benefits ... tuition reimbursement, compressed time and flex time." A study of the problem at Chillicothe showed that 76% who left did so to accept jobs with better pay and benefits.

Dallas VAMC, October, 1981 - "Nursing Service: Without a doubt, this is perhaps the most acute service lacking in personnel. There is a shortage of nurses in all intensive care units. Vacancies exist for 12 full-time nurses. Because of the Baylor Plan, throughout the Dallas area, the VA cannot compete for nursing personnel. This plan permits other hospitals in the area to pay 40 hour wages to persons working two 12 hour shifts on weekends. ... As a result it is impossible to recruit."

Wilmington, Delaware, November, 1981 - "There is a critical shortage of nurses at this facility. There were 14 vacancies at the time of the survey. This nurse shortage has caused a number of other problems to surface. The 34 beds located on the eighth floor had to be closed. The ward coverage has been minimal. Seriously ill patients have to be held longer in MICU to insure proper treatment."

Gainesville, Florida, January, 1982 - "Nursing Service is currently experiencing serious recruitment and retention problems. Just one year ago this service maintained a stable workforce of nurses. As of late, however, community hospitals have substantially increased nursing salaries. This, coupled with their attractive benefit packages is causing VA nurses to transfer, and new nurses to bypass the VA altogether."

Philadelphia VAMC, March 1981 - "Nursing Service reported vacancies for 19 registered nurses and 10 licensed practical nurses. Currently, fourteen surgical beds and two SICU beds are closed because of staffing shortages."

The list goes on and on, and the problem will only continue to worsen, unless fringe benefits and inducements are included to attract nurses.

The American Legion strongly urges favorable action on the legislative proposals addressing this situation which are under your consideration today. The need for flexibility in providing fringe benefits within the Nursing Service of the Department of Medicine and Surgery has been demonstrated, and the Legion feels that the time to act is now.

Mr. Chairman, that concludes our statement.

SIXTY-SECOND ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION
BOSTON, MASSACHUSETTS, AUGUST 19, 20, 21, 1980

RESOLUTION: No. 9 (Vermont)

COMMITTEE: Veterans Affairs and Rehabilitation

SUBJECT: Support legislation to provide adequate funds for construction, remodeling and renovation of State Veterans Homes

WHEREAS, there are 45 State Veterans Homes located in 33 States, dedicated to the long-term care of disabled veterans who served honorably in the United States Armed Forces; and

WHEREAS, the various States have cooperated with the Veterans Administration to provide a uniformally high level of long-term care for U.S. veterans in these State homes; and

WHEREAS, an increasing number of World War II veterans are 65 years of age and older, dramatically increasing the number of veterans needing nursing home care or extended medical care; and

WHEREAS, the United States Government has provided matching construction funds for the construction, improvement and remodeling of nursing care facilities in State Veterans Homes; and

WHEREAS, most planning for modernization and/or expansion in State Home projects is predicated on the availability of such matching funds; and

WHEREAS, any reduction of funds appropriated for these purposes will result in delaying or perhaps jeopardizing the construction of needed new modern facilities or remodeling of existing facilities for care of United States veterans; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Boston, Massachusetts, August 19, 20, 21, 1980, that The American Legion support legislation to provide that adequate funding be appropriated for the construction, remodeling and renovating of State Veterans Homes.

APPROVED WITH AMENDMENT

SIXTY-SECOND ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION
BOSTON, MASSACHUSETTS, AUGUST 19, 20, 21, 1980

RESOLUTION: No. 10 (Vermont)

COMMITTEE: Veterans Affairs and Rehabilitation

SUBJECT: Sponsor and support legislation to amend title 38, United States Code, to promote the care and treatment of veterans in State Veterans Homes

WHEREAS, the constantly increasing cost of providing necessary, adequate and proper care to veterans in State Homes is causing great concern to the States and to management of such homes; and

WHEREAS, the operation of such homes in various States throughout the nation relieves the Federal Government from its responsibility of fully providing for the needs and services to less fortunate veterans; and

WHEREAS, it is necessary that the Federal Government adequately reimburse the States for the cost of care provided in such homes; and

WHEREAS, it is necessary, due to inflation, to seek remedial legislation to increase the rates payable by the Federal Government to such homes, thereby providing additional funds to more efficiently administer said homes and provide for the veterans residing therein; and

WHEREAS, The American Legion believes legislation should now be enacted to establish a close-working, equal partnership between the Veterans Administration and each of the State Homes; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Boston, Massachusetts, August 19, 20, 21, 1980, that The American Legion sponsor and support legislation to amend section 641 of title 38, United States Code, to provide as follows -

"(a) The Administrator of Veterans Affairs shall reimburse, subject to the limitations of subsection (b) of this section, each State for the cost incurred by such State during each fiscal year in providing in any State Home to any veteran of any war --

"(1) Domiciliary, nursing home care and hospital care if such veteran is eligible for such care in a Veterans Administration facility.

"(b) The amount of reimbursement which the Administrator shall make to each State under subsection (a) of this section for any fiscal year may not exceed the lesser of --

"(1) One-half of the per diem cost in each State Home for all domiciliary, nursing home, and hospital care provided to veterans during such fiscal year; or

"(2) One-half of the average per diem cost in all State Homes for all domiciliary, nursing home, and hospital care provided to veterans during such fiscal year."

APPROVED WITH AMENDMENT

SIXTY-SECOND ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION
BOSTON, MASSACHUSETTS, AUGUST 19, 20, 21, 1980

RESOLUTION: No. 345 (Virginia)

COMMITTEE: Veterans Affairs and Rehabilitation

SUBJECT: Urges the Congress in funding VA health care programs to assign a high priority to the VA Alcohol and Drug Treatment and Rehabilitation Programs

WHEREAS, alcohol abuse and alcoholism continue to be one of the most significant factors adversely affecting the health and welfare of veterans of all ages; and

WHEREAS, drug abuse and drug addiction also constitute a serious hazard to the health and welfare of many veterans; and

WHEREAS, the Veterans Administration has an ongoing program of treatment and rehabilitation, functioning in many of its hospitals and clinics; and

WHEREAS, The American Legion has and does provide full support for this program; and

WHEREAS, with due regard to the scope of the alcohol and drug problem among veterans, the continued expansion of the program to additional VA hospitals and clinics is clearly indicated; and

WHEREAS, the indicated expansion is not occurring at the rate which The American Legion considers necessary, due to budgetary restrictions; and

WHEREAS, The American Legion considers the further expansion of the VA's Alcohol and Drug Treatment and Rehabilitation Program to be a vital element of the Veterans Administration medical care program for veterans; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Boston, Massachusetts, August 19, 20, 21, 1980, that The American Legion call upon the Veterans Administration to proceed with formulation of a comprehensive Alcohol and Drug Treatment and Rehabilitation Program encompassing the entire VA system of hospitals and clinics; and, be it further

RESOLVED, that The American Legion urge Congress, in funding VA health care programs, to assign high priority to the VA Alcohol and Drug Treatment and Rehabilitation Programs.

APPROVED

NATIONAL EXECUTIVE COMMITTEE MEETING
OF THE AMERICAN LEGION, OCTOBER 14-15, 1981

RESOLUTION NO: 17

COMMISSION: National Veterans Affairs and Rehabilitation

TITLE: Urging VA to Undertake a Study to Develop Programs to Attract Registered Nurses into VA Service

WHEREAS, There is an acute national shortage of registered nurses; and

WHEREAS, This shortage is causing serious problems in public and private sector hospitals everywhere; and

WHEREAS, The national shortage of registered nurses has resulted in severe nursing shortages in all VA medical facilities; and

WHEREAS, These nursing shortages in VA medical facilities are causing closure of beds and are interfering with delivery of quality care to sick and disabled veterans; and

WHEREAS, Hospitals and medical facilities throughout the country are undertaking a variety of programs to create greater interest in the nursing profession and to encourage nurses to remain active in their profession; and

WHEREAS, VA does not and has not devised a variety of incentives, including increased compensation, fringe and special benefits, and other inducements to attract nurses into VA service; and

WHEREAS, This failure by VA is placing it at a great disadvantage in competing with the private sector for nurses, now, therefore, be it

RESOLVED, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana on October 14-15, 1981, That The American Legion urges VA to immediately undertake a study into the need for establishing innovative and stimulating programs, scholarships, incentive pay and benefits that would attract nurses into VA service, and be if further

RESOLVED, That the results of the study be presented to Congress with request for additional funds and for legislative authority to implement programs that will attract nurses into the service of the VA medical care program for veterans.

Chairman SIMPSON. And now, Mr. Magill, please.

Mr. MAGILL. Mr. Chairman, thank you for the opportunity to present the views of the Veterans' of Foreign Wars with regards to various extensions.

Without objection, I will briefly summarize my statement.

Chairman SIMPSON. Fine.

Mr. MAGILL. Mr. Chairman, contract care is authorized for certain veterans in Puerto Rico because the VA does not have adequate facilities there to meet the demand. And we support the extension of this authority.

We also suggest this committee consider expanding the medical facility there as recommended by a recent VA report, in order to eventually eliminate the need to contract out in this area.

We also support extending the program authorizing the exchange of medical information and the authority to make grants to affiliated medical schools.

Next, Mr. Chairman, legislation has been introduced to provide payments to States for the cost of providing care for veterans in State nursing homes. The VFW supports the legislation requiring the administration to periodically redetermine these per diem rates.

Finally, Mr. Chairman, the VFW would encourage and support any legislation that would serve as a recruitment and retention tool in making the VA nursing program more competitive with the private sector.

This concludes my statement and I will be happy to respond to any questions you may have, sir.

Chairman SIMPSON. Thank you, both.

[The prepared statement of James N. Magill, special assistant, national legislative service, Veterans of Foreign Wars of the United States, follows:]

VFW
VETERANS OF FOREIGN WARS OF THE UNITED STATES
NATIONAL LEGISLATIVE SERVICE
Office of Director

PREPARED STATEMENT OF

JAMES N. MAGILL, SPECIAL ASSISTANT
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

WITH RESPECT TO
VARIOUS PROGRAM EXTENSIONS

WASHINGTON, DC APRIL 21, 1982

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to present to this distinguished Committee the views of the Veterans of Foreign Wars of the United States with respect to various program extensions and legislative proposals.

It is our understanding legislation will be introduced to extend the authority of the Veterans Administration to enter into contract agreements to provide medical care to certain veterans in Puerto Rico and the Virgin Islands. As you know, when a VA health care facility is unable to provide needed medical care due to an inadequate facility or where there is no VA facility, authorization may be granted by the Administrator to enter into contracts with the private sector to supply the needed care. Such is the case in Puerto Rico and the Virgin Islands. According to the VA, there are more VA medical, surgical, and psychiatric beds available per 1,000 veterans in Puerto Rico and the Virgin Islands as compared to the United States. However, the reverse is true in the private medical sector and the conditions in these facilities in most cases, can be best described as dismal. With the inability of the private sector to meet the demands placed upon it by the general populace,

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particularly in psychiatric medicine, a severe limitation is placed on alternatives to VA health care for veterans. Other factors contributing to the imbalance are the veterans inability to pay for private treatment, the veterans refusal to accept "unearned" care, and the questionable level of quality care available in the private sector.

The best information available to us indicates veterans in Puerto Rico are suffering a much higher incidence of service-connected disability for psychiatric reasons than the veteran population as a whole. It has also been brought to our attention that the work load for processing these claims has reached such a level that some case files must be sent to the United States for adjudication, many times putting the veteran and/or the VA at a disadvantage.

Mr. Chairman, last year the VFW testified in support of extending the contract authority in Puerto Rico and the Virgin Islands until September 30, 1982. Since then, the VA has published a report on the health care needs of veterans in this region, recommending expansion of the VA facility in Puerto Rico to provide the much needed VA care these United States citizens deserve. By expanding this facility, greater control over the level of care can be exerted, more complete and comprehensive psychiatric evaluations can be made, and the need to contract with the private sector eliminated. In addition, information available to us indicates the expansion could be amortized in approximately 5-6 years inasmuch as annual contracting out expenditures are in excess of $20 million. It must be understood the VFW is supportive of the expansion of the psychiatric facility with the view that mental health care be supplied solely within the limits of the Veterans Administration and contract authority be suspended when the facility is operational. Mr. Chairman, we support the extension of the contract authority, and for the previously stated reasons recommend this Committee consider expanding the capabilities of the Veterans Administration Medical Center in Puerto Rico in order to eliminate the costly necessity of contracting out.

Mr. Chairman, the programs authorizing the exchange of medical information and the authority for the VA to make grants to affiliated medical schools are considered by the VFW as very beneficial to the VA medical care system. We urge they be extended and encourage the VA to utilize them to their fullest extent. The VFW also supports the extension of the authority of the Administrator of the VA to make grants to the various states to assist in the construction, alteration, modernization, and repair of state veterans extended care facilities. Resolution 717 entitled, "Matching Fund Construction Grants to States," adopted at our most recent National Convention is appended to my testimony for your review.

Mr. Chairman, legislation has been introduced to amend 38 USC 641 to provide for a more equitable formula for payments by the Administrator of Veterans' Affairs to states for the cost of care provided to eligible veterans in state nursing homes. Historically, the contribution of the Federal Government to state veterans homes was in the nature of assistance in domiciliary care and was on a per annum basis. Through the years amendments have been enacted to include nursing home and hospital care and payment is now calculated on a per diem rate. Because of the advancing population of elderly veterans and the increasing costs incurred in caring for these veterans, the VFW believes the Veterans Administration should assume a more equitable and realistic role in providing financial support to state homes. Therefore, the VFW supports legislation requiring the Administrator to periodically redetermine per diem rates for state domiciliary, nursing home, and hospital care facilities allowing the state home system to continue to provide a vital service to our nation's elderly veterans while at the same time increasing both the quantity and quality of that care.

Finally Mr. Chairman, legislation is being proposed to enhance the recruitment and retention of VA registered nurses. As you know, the VA has been experiencing a shortage of nurses for quite some time. Because of this shortage, entire wards in some VA medical care facilities have been forced to close. In addition, nearly

800 beds in the VA medical care system have been eliminated for this same reason. The VA must remain as competitive as possible with the private sector regarding the nursing profession; thus, the VFW supports any initiative that would serve as a viable recruitment and retention tool as long as the Administrator and the Chief Medical Director deem such an initiative would not be detrimental in providing high-quality health care to our nation's veterans. In addition, the VFW is appreciative of this Committee's recommending the restoration of funding for the Nurses Scholarship Program; a valuable program whose benefits far exceed its costs. Whereas funding is being restored for a single fiscal year, the VFW would support a no-end funding formula; thus assuring future VA registered nurses their education would not be interrupted for lack of funding.

This concludes my statement. I will be happy to respond to any questions you may have.

Chairman SIMPSON. Let me just ask several questions.

If you would each comment, please, on the GAO recommendation that the State veterans' homes should be taking advantage of sources of revenue other than the VA per diem reimbursement, such as veterans' pensions and other health insurance?

What is your view of that GAO recommendation?

Mr. SOMMER. Mr. Chairman, we have not had the opportunity to analyze the GAO report as of this time.

Chairman SIMPSON. OK.

Mr. MAGILL. That is the same with us, sir. I'm sorry I can't comment on it right now.

Chairman SIMPSON. When you do, I would appreciate having your views, if you would share that with us.

Mr. MAGILL. Yes, sir.

Chairman SIMPSON. The VA testimony today asserts that sufficient mechanisms already exist under current law to recruit and retain adequate VA nursing personnel. Do you agree with that assertion?

Mr. SOMMER. Mr. Chairman, the American Legion disagrees with that. As of just recently there were a total of 100,000 nursing vacancies throughout the country in hospitals alone. This is in the private sector as well as Government.

The private sector has, besides using things such as flexible working hours and special pay, been using inducements such as tuition reimbursement, subsidized housing, day care services, choice of hours, in-house education, and other inducements in order to attract nurses into the hospitals.

The Veterans' Administration has nothing to compare with these benefits. Granted, they have been using nurse recruiters, but our field service staff has found that in some cases the nurse recruiters are striking out because they don't have the benefits to offer that the private sector hospitals have.

Chairman SIMPSON. Mr. Magill?

Mr. MAGILL. We would have to agree with that. We believe the VA has fallen behind in its recruitment and retention programs.

We have, of course, heard about flex time, compressed time and we believe it now is time for the VA to become more competitive in whichever ways the Administrator or the chief medical director would deem appropriate just as long as it would not be detrimental to the high quality health care that the patient now receives.

Chairman **Simpson**. I guess I want to be assured that you are all using the same figures. You quoted some figures from the Veterans' Administration. When we talk about nursing vacancies, are we agreeing on the figures and the documentation as to the numbers of beds closed and that kind of thing?

Are there areas where the figures are different?

Mr. **Sommer**. Mr. Chairman, our figures that are included in the full statement come from field service reports compiled by the field service staff of the American Legion after visits to the VA medical centers throughout the country.

We visit approximately 60 hospitals per year. The figures included in the reports are discussed with the directors of the hospitals and the directors of the various services, in this case the nursing service, prior to the time that the reports are issued.

This is the way we have come up with our shortages. Now, the other figures which I quoted came from the VA's recruitment bulletin which was issued on March 15 of this year.

Chairman **Simpson**. But the figures are not far apart, that's what I am saying.

Mr. **Sommer**. The figures that I heard stated by the Veterans' Administration was the number of nurses needed to reopen the, I believe it was 938 beds that had been closed and it would take 430 nurses to reopen those beds, and that's all. That would be fine, it would reopen those beds. However, there is a much greater need than that for registered nurses in the VA medical care system, to bring the system to a point of providing optimum care.

Chairman **Simpson**. Well, I thank you very much. I appreciate having your testimony and thank you.

Mr. **Magill**. Thank you, Mr. Chairman.

Chairman **Simpson**. Now we have Barbara Chambers, please, the president of the Nurses Organization of the Veterans' Administration, accompanied by Edward Styger, executive director, from the Veterans' Administration Medical Center in Philadelphia.

Nice to have you with us, how are you?

Ms. **Chambers**. Fine, sir.

TESTIMONY OF BARBARA CHAMBERS, R.N., PRESIDENT OF THE NURSES ORGANIZATION OF THE VETERANS' ADMINISTRATION, VETERANS' ADMINISTRATION MEDICAL CENTER, PHILADELPHIA, PA., ACCOMPANIED BY EDWARD STYGER, EXECUTIVE DIRECTOR

Ms. **Chambers**. I want to thank you for the opportunity for appearing before this committee.

Chairman **Simpson**. Is this the first time that your organization has appeared before the Veterans' Affairs Committee?

Ms. **Chambers**. Well, our organization testified in Arizona when Senator DeConcini had oversight hearings.

Chairman **Simpson**. Yes.

Ms. CHAMBERS. But this is the first time that we have testified in Washington.

Chairman SIMPSON. Well, it's nice to have you.

Ms. CHAMBERS. Thank you. As I said, I would like to thank you for allowing us to present the views of the Nurses Organization of the Veterans' Administration, NOVA.

NOVA is an individual membership organization comprised of over 3,000 registered nurses within the VA. Our major objective is to insure quality nursing care of the veteran patient in any facility of the Veterans' Administration through nursing input into legislation and policies affecting the veteran.

Within the Nation and the Veterans' Administration there prevails a lack of recognition for nurses' worth in patient care. What is our worth? We are the only health care professionals with the patient 24 hours a day, 7 days a week. The observations and judgments of the nurses are vital, and the decisions made by nurses are, literally, life and death ones.

I submit to you that veterans do not enter the VA hospitals for physician but rather for nursing care. As the largest employer of registered nurses and as a provider of clinical experience for nearly 30,000 nursing students, the Veterans' Administration must be a leader in supporting nursing education.

It is my belief the scholarship program included in Public Law 96-330 is a good mechanism for recruiting nurses. The sum of $4 million has been allocated for nurses to participate in this program. This will buy education for 300 nurses. Of this number, 40 percent are currently employed by the VA. NOVA is in agreement with both Senate bill 2389 and Senate bill 2385 regarding the scholarship program.

NOVA fully supports the nursing provisions of Senate bill 2389.

Tuition reimbursement is a critical recruitment retention issue. Health-care institutions throughout the country offer between 50 to 100 percent tuition reimbursement to nurses. Some university hospitals, many of whom affiliate with VA facilities, offer free tuition to nurses and their immediate family.

To be competitive, we must be allowed to offer tuition reimbursement to nurses. Currently, my colleagues at the university-affiliated hospital across the street from the Philadelphia VA can receive three courses per semester at the university. The total cost is about $3,000 per semester, paid by the employer.

It is important to remember, not only must we think of recruitment, but more importantly, retention of qualified registered nurses. According to the National Commission on Nursing, the four major causes of nurses leaving a hospital are overwork, long hours, different shifts in a given week, and floating from one unit to another.

These are normal working conditions in VA hospitals. It has been my experience that our nurses are caring, giving, dedicated people, but they also have personal and family needs which must be met. The private sector is addressing these needs.

It is not a pleasure to work the 12 midnight to 8 a.m. shift on Christmas, or work 3:30 to 12 midnight Thanksgiving while your family is at home. However, nurses know these factors come with the territory.

One of our proposals is to consider and implement weekend pay benefits. And we look forward to the timely resolution of this problem by offering the same pay benefits for Saturday shifts as are occurring on Sunday shifts.

Nurses become frustrated when faced with near impossible situations. I am speaking of a number of veterans to receive nursing care on a unit versus the amount of nurses to give the care. Nurses in the VA are expected to give the same quality or better quality patient care than their colleagues in the private sector. The only problem with this is the nurse in the private sector has some advantages her VA colleague does not have, such as, access to computerized systems and data, and unit secretaries on all tours of duty.

This decreases the amount of paper shuffled by theirs. Another item is access to building management service during odd hours, access to 24-hour pharmacy service along with unit dose medication distribution and IV addititive programs.

It is not unusual on a 40-bed nursing unit to have 20 patients with IV's. Nor is it unusual in the VA to have one nurse monitoring those 40 veterans and 20 IV's.

To the best of my knowledge, this type of situation does not occur in the private sector with the regularity it does in the VA. The solution for the situation as I see it is to make the VA as attractive to nurses as it once was in the fifties and sixties to regain the leadership status we once enjoyed. Unfortunately, during this time of fiscal austerity it is not easy nor popular to appeal for money.

If the veteran who served this country proudly is to receive the care of a grateful Nation, the members of NOVA ask you to be sensitive to the needs of these veterans by being sensitive of the needs of the future of nursing care for these veterans.

And I thank you very much.

Chairman SIMPSON. Thank you. That was a very fine statement.

[The prepared statement of Barbara Chambers, R.N., president of the Nurses Organization of the Veterans' Administration, Veterans' Administration Medical Center, Philadelphia, Pa., and the response of the Nurses Organization of the Veterans' Administration to written questions submitted by Hon. Alan K. Simpson, chairman of the Senate Committee on Veterans' Affairs, follow:]

PREPARED STATEMENT OF BARBARA CHAMBERS, R.N., PRESIDENT OF THE NURSES ORGANIZATION OF THE VETERANS' ADMINISTRATION, VETERANS' ADMINISTRATION MEDICAL CENTER, PHILADELPHIA, PA.

As the President of the Nurses Organization of the Veterans Administration I wish to thank you for hearing this testimony. Our organization was formed in October, 1980 and to date has membership of 3,000 Professional Nurses employed by the Veterans Administration. Our major objective is to insure quality nursing care of the Veteran patient in any facility of the Veterans Administration through nursing input into legislation and policies affecting the veteran.

I am proud and delighted to be here for this is an historic moment - to my knowledge I am the first nurse who is employed at a local VA and who is not a Chief, Nursing Service to testify nationally. I know I will not be the last.

There are many issues I would like to discuss today but since my time is limited I would like to impress upon you one major point, and summarize briefly how the Congress can assist Nursing in the Veterans Administration. If you remember nothing else please remember and know the nursing profession is in a major crisis and, I believe, at its most critical point in its relatively short history. The survival of nursing is at stake. If nursing does not survive the patient will suffer from further fragmentation of health care. We are the individuals who serve as the true patient advocate on a 24 hour, 7 day per week basis. Nursing in the Veterans Administration is also in a crisis. The Veterans Administration employs 30,224 Registered Nurses. It is the largest organized nursing service in the United States. As the nursing profession is bent, shaped and reshaped so must the Veterans Administration Nursing Service be given the flexibility to change with the profession.

If you are not aware of the work of the National Commission on Nursing, it is vital you become aware. The Commission has heard testimony, researched the literature and has succinctly outlined the problems/issues facing nursing today. I am using the five major issues and problems discussed by the National Commission on Nursing to organize my thoughts regarding the critical needs in the Veterans Administration Nursing Service.

The first major issue is the Effective Management of the Nursing Resource. It is common knowledge among Registered Nurses in the Veterans Administration that we are not competitive with the private sector in our benefit package. Gone are the days of Veterans Administration health care facilities having a list of nurses waiting to be employed by the Veterans Administration. As a Coordinator for Recruitment and Retention, at the Philadelphia Veterans Administration Medical Center one of the most often asked questions from applicants is, "How much money do you offer for tuition?" Many health care institutions throughout the country offer anywhere from 50% to 100% tuition reimbursement. Some institutions, especially those affiliated with universities offer free tuition not only for the employee but also for immediate family members. I am not suggesting that the Veterans Administration follow this mode of tuition reimbursement for the family of the nurse. However, I am suggesting that Congress allow the Veterans Administration to offer tuition reimbursement to our nurses.

It is my believe that the Scholarship Program included in PL 96-330 is a good mechanism for recruiting nurses. Although the stipend allowed in the program is generous and school fees are paid; the members of NOVA and I have difficulty conceptualizing how a Registered Nurse can live on the stipend. You see, many individuals in our nursing community are the sole supports of families or themselves. Permit those nurses to work in a Veterans Administration facility on an intermittent or part-time basis while in the Scholarship Program.

This should not interfere with the obligation to serve clause.
Another question often asked by applicants is, "Do you have the twelve hour shift?" There are advantages and disadvantages to the Baylor Plan (working two twelve hour shifts per week, receive a salary based on forty hours per week and have full benefits extended to the nurse). For nurses this plan allows for individuals to rejoin the work force. Nurses having either family committments or educational responsibilities, who have suspended their career, can return to the profession and continue their family. Nurses attending school using this plan, have the opportunity to be paid at a full-time rate, accrue full-time benefits and still be able to continue full-time educational endeavors. With this plan patient care time is increased by providing an over-lapping of nursing time. This also affords nurses who choose to work a forty hour week to have every other weekend off. To the best of my knowledge, after receiving feedback from approximately fifty Veterans Administration facilities, not one facility is able to give a written policy allowing Registered Nurses every other weekend off. My colleagues in the private sector are able to receive every other weekend as days off. Nursing is a twenty-four hour a day, seven day, holidays included profession. The matter of weekends and the amount of weekends worked in a month is an issue. It is imperitive that I stress to you, nurses in the Veterans Administration are dedicated, caring individuals who are very concerned about our veteran patients and the care he receives. However, I must also stress the quality of life of the dedicated, caring nurse is a factor which plays an integral part in the care of the veteran.

The bottom line for any of us who live and work in hospitals is the quality of patient care. Hospitals do not exist for nurses or physicians but for patients. For patients to acheive wellness nurses are needed.

While a Head Nurse on a 30 bed unit at a large Midwestern Veterans Administration facility, the staff nurses were asked how they would like their work schedules to read.

The staff nurses on my unit were unanimous about working a ten hour day, four day week. This would provide for continuity of patient care by allowing for over lapping of nursing time; the professional nurse would have increased time for documentation; more time for nursing staff meetings and reporting on patient's condition; in terms of saving energy the nurse would be commuting only four days a week thus saving gas. However if this were instituted more nursing staff would have to be added and veteran patients would receive more nursing time.

Nurses who apply to the VA for employment ask about our health insurance, dental insurance, and medication discount package to name a few of the items. In the private sector it is not unusual for the hospital to offer these benefits free to nurses as incentives to recruit nurses for a particular institution. The V.A. is not competive in this area.

It is my belief the greatest mechanism for recruitment and retention is a day care facility on the station. I have seen this mechanism work in a Veterans Administration hospital quite successfully. These centers can be utilized by single parents, working parents and nurses rejoining the work force.

It is important to remember that not only must we in the Veterans Administration system think of recruitment but more importantly, rention. According to the National Commission on Nursing, the four major causes of nurses leaving a hospital are: overwork, long hours, different shifts in a given week and floating from one unit to another. These working conditions exist in a preponderance of VA hospitals. Our nurses are caring, giving people but they also have personal and family needs which must be met.

How much and for how long can a nurse in the VA be exposed to this type of situation without looking else where for employment?

In Veterans Administration facilities nursing has lower patient/staff ratios than in the private sector. Yet, the nurse is expected to give the same quality or better quality care than her colleague in the private sector. This same private sector nurse has access to computers to give her more time at the bedside. It is sad to say in VA hospitals nurses still do many tasks done by computers in the private sector.

Nurses in the Veterans Administration do not have patient support services accessible to them on a twenty-four hour basis. Items as simple as trash removal are performed by nurses during certain hours. This time is taken away from the veteran patient. There are facilities in the VA where medications are not dispensed via a unit dose method. There are facilities in the VA where I.V. additive programs are nonexistent. Not only is nursing time consumed pouring medications or adding medication to I.V.'s but the expert in medication, the clinical pharmacist, is not involved in his area of expertise. With the unit dose system of medication dispensing the clinical pharmacist maintains a patient profile of the medication each veteran is receiving. The clinical pharmacist is the most knowledgeable to determine if medication'X" is compatible with medication "Y" when the veteran is receiving both medications. With an I.V. additive program the preparation of IV's is done in a sterile environment in the pharmacy. Documentation is kept by the clinical pharmacist, the expert in drugs, to review the veterans' medication therapy. This also provides a check for the nurse and the physician and offers safety to the veteran patient.

According to the National Commission on Nursing Preliminary Report, "The quality of supporting services to the patient care unit is a major deterrent in the effectiveness of the delivery system and the satisfaction of the professionals working in the system." This statement could be made directly about the Veterans Administration health care system.

We realize this is a time of fiscal austerity in our government and in our lives but I must say again, many VA nurses are sole supports of families. Although nursing is looked upon as a female profession we have many male colleagues. According to PL 96-330 a VA facility may ask the Administrator to adjust the salaries of nursing persons. NOVA proposes this authority should be decentralized to the facility Director. Salary changes for attracting Registered Nurses occur quickly and without notice in the private sector especially during peak recruitment periods. To conduct extensive salary surveys, prepare lengthy justifications and submit these to VA Central Office for review and approval does not permit the local facility to respond in a timely fashion to what I phrase as the "salary war." Furthermore since the Veterans Administration is currently unable to provide free health insurance, dental plans, tuition reimbursement, day care, and many other benefits offered by the private sector, these benefits be given a dollar figure and added to the salary of Registered Nurses. Let me add this mechanism is not cost effective to the government since not all nurses would take advantage of each benefit offered.

One of NOVA's legislative goals for this year include nurses who work overtime be compensated at the salary rate. According to MP V Part II, Chapter 4, paragraph 4h, overtime paid cannot exceed Intermediate grade step 1. This means if the nurse is a Full grade step 8 or Intermediate grade, step 2 and above, the nurse will be paid overtime at the Intermediate grade step 1 level.

It is important that I mention the inequity of PL 97-72 which amended subsection (b) of section 4109, Title 38, United States Code, to change the method of computing annunities for individuals who retire after December 1, 1981. For those nurses who have worked part-time serving the veteran for many years have little or no chance to receive a retirement annunity equal to the time they've invested. The time investment being 2 to 4 days per week for the past ten to twenty years. At the time these individuals began their VA career Title 38 stated that each part-time year of service would be computed as a full-time year of service for retirement benefits. Now when many of these nurses are nearing retirement, the rules are changed without a clause exempting them from proration of their retirement annuities. Please reconsider these part-time nurses.

The second major issue addressed by the National Commission on Nursing is the status and image of nursing. Within the nation and the Veterans Administration there prevails a lack of recognition for nurses' worth in patient care. What is our worth? We are the only profession that is educated to look at the total patient and are expected to coordinate his/her physical, social, spiritual and psychological care. We are the only professionals with the patient continuously. This means that our observations and judgements are vital and that our decisions are literally life and death ones. I submit to you that patients do not enter the VA hospital for physician care but rather for nursing care. I believe that at least 80% of what a hospitalized patient needs from the other health care professionals could be provided on an ambulatory care basis; the patient primarily enters the hospital for nursing care.

In talking with nurses in the private sector daily you would be surpised and dismayed at the perceptions and lack of understanding that exists regarding Nursing and patient care in the V.A. Listen to some common questions/concerns - is it an "Old Soldiers" Home?" - how many years does a patient stay at the hospital? - do you have to be a veteran to work there? These have obvious, severe implications for us and the patient for recruiting and retaining a scarce resource. I have only one solution - massive funded TV campaign that enhance the image of V.A. Nursing.

A very important issue and change that relates to the nurses image can be affected by Congress. The law prohibiting the engagement in outside professional activities by full time Title 38 employees is archaic and needs amending. First of all the law adversely affects nurses since 91% of the nurses employed by the VA do work full time whereas the majority of the physicians are employed part time. Many physicians hold paid academic appointments and have private practices. Yet nurses are prohibited to provide their services for patients on their days off and weekends. To receive honoraniums, consulting fees etc a bureacratic, red tape system of paperwork approval must be adhered to. Secondly I believe that this law is a vestige from the original Title 38 when employees were salaried and hired for 7 days/week and 24 hours a day. It is also a vestige from the gone days of nursing when nurses lived at the hospital and had little outside interest. Thirdly, many nurses need the additional salaries. The law needs amending to bring regulations into the 1980's and allow nurses to engage in outside professional activities.

Such seemingly minor benefits such as availability of adequate food services, lounges (might I add that both current space inadequacies and future space planning do not address this problem) and secure, free parking are important. Benefits such as these give a clear message - nursing is valued, appreciated, and important.

The perceived quality of the medical care provided to the patient is another important factor in attraction of nurses to the V.A. The recent decrease in Medical Research funds in the Veterans Administration will seriously effect the recruitment and retention of the physician, leaders in the United States. Consequently, one ramification will be that nurses will also leave the Veterans Administration to "follow" the competent physician who are research oriented.

The third major issue discussed by the National Commission on Nursing is Nursing Education and its interface with nursing practice. As you are aware there is a lack of a clearly defined structure for nursing education and associate degree, diploma, and baccalaureate programs all prepare individuals for licensure as a Registered Nurse. Data from the National League for Nursing project a 2-3 % per year decline in registered nurse graduates through 1985. The number of registered nurses returning to school for baccaulaureate education has increased steadily since 1975.

As the largest employer of Registered Nurses and as a provider of clinical experience for nearly 30,000 student nurses the Veterans Administration must be a leader in supporting nursing education. The facts speak for itself: Nursing resources will become more scarce as the demands increase. Permit me to enumerate the Congressional needs:

1. Continued and increased funding of the Veterans Administration Scholarship program.
2. Establishment of Career Development opportunities for LPN's to pursue RN licensure.
3. Exploration of the feasibility of rechanneling funding into the Veterans Administration for Nursing Education support. As a Federal Nurse I believe that some creative regulations could be developed so that individuals who receive federal support for their education could be prepared to serve in the public sector.
4. Provision of funding for reentry programs with obligation to serve.
5. Development of a master plan within the Veterans Administration to address the issues of supply and demand, as they relate to Nursing Education.

The last two issues addressed by the National Commission on Nursing are the relations among nursing medical staff and hospital administration and the maturing of nursing as a self determining profession.

It is clear that nursing is asking to be included in and asserting itself into the decision making area. The testimony to the National Commission on Nursing showed that nurse administrators who participated in the policy making bodies in the institution are in a better position to influence nurse satisfaction. NOVA proposes that Chiefs, Nursing Service report to the facility Director rather than the Chief of Staff. Reporting to a physician causes a conflict of interest for the Chief of Staff.

In the private sector, it is recognize that for nursing to deliver quality care the nursing executive must report to the Chief, Executive Officer. Depending upon the Veterans Administration facility Chief Nurses manage 1/4-1/3 of the total FTEE and have a major impact on the use of supplies and equipment. Reporting to the hospital director makes nursing truly a peer with the hospital administrator and medical staff. Nursing must also have increased input into this austere policy making body. We hope to be here over and over again discussing not only nursing needs as they relate to the veteran but also the health care needs, from a nursing prospective, of the veteran.

Two trends in the nursing profession are essential to incorporate into the Veterans Administration. These two trends are interdependent and are Primary Nursing and Decentralization. In primary nursing the staff nurse accepts responsibility for and are accountable for individual patient care for a group of patients. One source describes it as "my patient; my nurse." Primary nursing has been proven to be most satisfying to the nurse, the patient and the physician; contribute to earlier patient discharges; enhance professionalism; improve the quality of patient care; and is cost effective. To my knowledge only one VA Nursing Service - San Antonio - is able to deliver primary nursing care throughout the institution. This is directly due to the fact that patient/RN ratios in the Veterans Administration are low.

The second trend is decentralization of Nursing Service. Nursing Services are complex and must be decentralized to be effective and responsive. I am defining decentralization as "decision making at the level action". Again increased nursing staff in the VA is needed to make a decentralized system work. With staffing shortages staff nurses and head nurses are unable to leave the bedside to participate in the decision making process. The decisions that are made directly effect their functioning and their satisfaction, and require their input.

It is shameful and ludicrous that these individuals are unable to participate fully in the decision making.

I am proud to be a member of the Veterans Administration Nursing Service. Not only have I discussed many of the ills of my service but of my profession. Nurses in the VA strive to offer the best care to the veteran. There is a comradery among nurses in the VA system and we share the common concerns I have expressed in this testimony. Not only are we concerned about nursing problems but we are concerned about programs and health care aspects related to the veteran. There are many experts in the Veterans Administration. In the Veterans Administration Nursing Service there are many nursing experts waiting to be tapped. I know the Committee will consider this resource of health care knowledge.

NOVA recognizes the efforts of this committee, VA Central Office and veterans organizations to meet the health care needs of the veteran. We want to help.

RESPONSE OF THE NURSES ORGANIZATION OF THE VETERANS' ADMINISTRATION TO WRITTEN QUESTIONS SUBMITTED BY HON. ALAN K. SIMPSON, CHAIRMAN OF THE SENATE COMMITTEE ON VETERANS' AFFAIRS

Question 1. You have stated in your testimony that the VA nursing shortage is reaching a near crisis level and shows no signs of improving in the near future. Yet, the VA's testimony notes that its ability to recruit and retain nursing personnel has improved. In fact, the VA states that current law provides sufficient authority and flexibility for the agency to become competitive with the private sector in individual localities, where, in the past there may have been severe shortage problems. Would you comment on the differing views of your testimony and that of the VA?

Answer 1. In my testimony I stated that, "Nursing in the Veterans Administration is also in a crises." What I meant by this statement was that the total state of Nursing is in a crises. I am speaking of current and projected shortages of nurses; decreased funding of nursing education; problems in the image of nursing; problems in the image of nursing; problems in relationships with other health team members in the definition of what is and what isn't nursing and lastly, recognizing the worth and value of nursing.

However, I would like to respond to the question as stated. Although I do not have actual data to support my statement, I strongly believe that the Veterans Administration is in a crisis stage in the recruitment and retention of nurses. The reason for this is that the private sector, because of the shortage, is quick to respond to the needs of individual nurses in providing additional benefits and salary ranges much more quickly than that of the VA, who must do things through the legislative and/or regulatory process. My tendency would be to agree with Mr. Eagan's statement of the American Legion that the Veterans Administration response was to that of currently available positions, not to the actual needs of increased positions for nursing to provide quality care. In his testimony, Mr. John Sommer, of the National VA Affairs and Rehabilitation Commission, also agreed that the Veterans Administration may have understated the shortage of nurses within the VA system. If the VA Recruitment Bulletin is reviewed, one can see the obvious crises state. Not all facilities are noted in the Recruitment Bulletin and I question the accuracy of this publication. According to VACO statics, the amount of Full Time RN's in September, 1980 was 27, 957. In September, 1981 the total of Full Time RN's was 27, 605. This is a decrease of 352 Full Time Registered Nurses. It is also of interest to note that the Registered Nurse ceiling at some facilities are being met by decreasing the ceiling of RN's needed.

An example of the authority and flexibility of current law as exercised by VACO is demonstrated in salary adjustments for Registered Nurses. The station must document the need for a salary adjustment by completing an extensive, time consuming salary survey, submitting it to VACO and waiting for it to be studied, considered and approved. This process can take up to two months. May I add, not every station has received what it has requested. A station may ask for Junior through Intermediate grades be adjusted yet receive adjustments for Junior and Associate grades only. This does not help morale nor does it help retention of Registered Nurses. Furthermore, during the time the request is being evaluated the only benefit considered is salary and free health/dental insurance plans, extensive tuition reimbursement plans etc. cannot be included directly when calculating the basic pay in the competitive hospital.

Question 2. The VA stated at the House Veterans' Affairs Committee March 17, 1982 hearing that the state of the economy has forced many nurses to return to the work force, therefore alleviating the nursing shortage.

A. Do you agree with that assertion?

B. If so, what will be the effect on the nursing shortage when the economy improves?

Answer 2. I agree with the statement that many nurses who have previously left nursing to raise families are returning to the profession. However, many of these nurses have not been in practice for many years, and have not maintained the education knowledge, the skills nor the dynamics of technology that have rapidly changed the art and science of nursing. In order to use these people, intensive retraining programs must be established prior to the time that they may be useful for patient care, and have the skill and ability to make patient management decisions on their own as other nurses do. A VA colleague in Florida shared with me an experience in offering a refresher course at her VA facility for nurses returning to the profession, and she stated, without exception, that when the retraining program was over, they left the VA system and went to the private sector where benefits and salaries were much higher than that offered by the VA.

In response to part 2 of your question I also believe that when the economy improves that many of these nurses will once again return to family life when their spouses can afford to support the family without additonal income from a second member of the family.

Question 3. The Baylor Plan is one of the legislative proposals we have before us today. Can you comment on the potential problems the VA might encounter in administering the Baylor Plan?

A. On what basis could a Veterans' Administration Medical Center Director determine which nurses would work the 24 hours for full-time pay status?

Answer 3. The Baylor plan, which offers great flexibility to nurses, and which is a major tool used in the recruitment of nurses in the private sector, will have a major problem of funding. It is very difficult to determine what that cost will be at this time because of the many modifications of this plan that have been implemented around the country. Our organization, through its members, plan on doing a study in the comparison of these plans and their offerings to potential nurse employees. The second problem which can be of major proportion is that of full-time VA nurses choosing to work weekends only.

In response to your question for a basis for the selection of nurses who may work 24 hours for full time pay status under these systems, I would encourage that a system of selection be established, based on seniority with the speciality needed for that type of work shift.

Question 4. Do you support the proposal to include part-time participants in the Nurse Scholarship Program?

Answer 4. Yes, we support the proposal to include part-time participants in the Nurse Scholarship Program, to encourage the development and training of VA nurses, and to provide a benefit to those individuals interested in nursing in the VAs. I also believe there should be mandatory service requirements within the VA to insure return of the investment of these people to the VA.

Question 5. Do you have statistics to back up your statement about the nationwide nursing shortage? Is the VA nursing shortage any worse than that of the entire nursing profession? Can you document the differences? For example: How many VA beds are closed as a direct result of the nursing shortage?

A. How many acute-care beds?

B. How many intensive care unit beds?

C. How many spinal cord injury beds?

Answer 5. In answer to part 1 of this question on nurse statistics, our organization has not compiled statistics to document the nationwide nursing shortage. However, the American Hospital Association reports 100,000 vacancies for nurses on hospital staffs today. They predict the shortage to increase to 300,000 nurses by 1985. A study done by the National Association of Nurse recruiters found that the average American hospital had 72 full-time nursing positions open for registered nurses. The AHA also reports there are 1,400,000 RNs in the United States. Some 400,000 of these RNs are inactive professionally and 300,000 work on a part-time basis. The result being 700,000 nurses work on a full-time basis in the United States. It must be remembered that not all 700,000 nurses are Staff Nurses meeting the daily patient care needs.

I believe, in response to the second part of this question, that the nurse shortage within the VA is worse than that of the entire nursing profession, because we currently have more difficulty in recruiting because of the competitive advantages used by the private sector. According to VACO statistics the difference in full-time RN vacancies between September 1980 and September 1981, as previously quoted, are 352 RNs. Part-time RN positions during the same time period have increased by 303 positions.

In response to the third part of this question, our organization has not done a survey of the bed closures in VA facilities. The only figures I can quote is from VACO. That data is attached.

Question 6. Do you project continuing VA nursing shortages in the next decade? A. Will the private sector also suffer such shortages? On what do you base your predictions?

Answer 6. I do project continuing VA nursing shortages in the next decade, and if you review my testimony, this projection is based on the studies being performed by the National Commission on Nursing, who has heard testimony, and is succinctly outlining the problems and issues of nursing today. The AHA predicts a shortage of 300,000 nurses by 1985. Data from the National League for Nursing project a 2-3 % per year decline in registered nurse graduates through 1985.

Question 7. Please comment on the effectiveness of VA nursing service in meeting the needs of the VA career nurse.

Answer 7. The nursing service within the VA has had, in the 50s and 60s, excellent success in meeting the needs of VA career nurses, and were considered the leader in nursing service, education, development of standards of care, and pay scales and benefits.

The VA has a formalized structure of career development. This enables the career of the nurse to be enhanced by staying in the same system and allowing the career ladder to be climbed.

I believe efforts must be made to insure future needs of a VA career nurse on a more competitive basis than has been offered in the past 10 years.

Question 8. Can you suggest other measures that would help retain the nurses already employed by the VA?

Answer 8. It is my belief that non-nursing hospital personnel need to be sensitive and more receptive to nurses/nursing needs. By this I mean that nurses should be treated as professionals by physicians, pharmacists, hospital administration, etc. Nursing is a vital part of the management system. The concept of joint practice - making the physician and the nurse jointly responsible for a group of patients - is a mechanism that has increased retention of nurses in four hospitals in California, Oklahoma, New York and Maine. Collaboration practice committees - having physicians and nurses work together on committees to problem-solve demonstrates that nurses are valued. In reviewing my written testimony I have prepared a comprehensive list of issues that reflect both recruitment & retention.

Chairman SIMPSON. You have stated in your testimony that the VA nursing shortage is reaching a near crisis level and that it shows no signs of improving in the near future. And yet, of course, the VA's testimony notes that its ability to recruit and retain nursing personnel has improved. In fact the VA states that current law on the books provides sufficient authority and flexibility and all the mechanics for the agency to become competitive with the private sector in individual localities where in the past there have been some shortage problems.

Would you comment more thoroughly on the differing views of your testimony and that of the VA, since you were present and I'm sure you also were able to review the actual text?

Ms. CHAMBERS. Well, I think——

Chairman SIMPSON. They won't get you. Go ahead.

Ms. CHAMBERS. I think it is an interesting question.

Chairman SIMPSON. It certainly is, isn't it.

Ms. CHAMBERS. I think that we have to look at recruitment and retention. Certainly, the salary adjustments allocated by Public Law 96-330 provide for the nurses to receive a competitive salary. However, a thorough salary investigation, more or less you might say, of the private sector, how are we not competitive with the private sector, must be done. Facts and figures must be compiled.

It has been sent to central office. And it can take sometimes a couple of months before a facility knows whether or not they are able to adjust the salary. Many times what happens is that the salary adjustment comes back and it has been adjusted for junior grade, associate grade level individuals and when you start looking at retention you are leaving out the pro grade and intermediate grade, senior grade nurses who say, well, you know I can go to brand X across the street and this is what they are going to give me.

Many times the salary adjustments come back and it is not across the board.

Chairman SIMPSON. The VA stated in its House Veterans' Affairs Committee, March 17 hearing, that the state of the economy has forced many nurses to return to the work force, therefore alleviating somewhat the nursing shortage. Do you agree with that assertion? And if so, what will be the effect on the nursing shortage when the economy improves?

Ms. CHAMBERS. I think that there is a whole potential, a whole storehouse of nurses out there that haven't been tapped. And those are the individuals who have left the profession to start families or have left the profession for one reason or another.

And the economic crunch is such that they are looking for jobs. It is difficult for me when I talk to a nurse who comes to me and says, well, I have been out of nursing for 20 years, can I have a job? It is very difficult for me to say, yes. The reason being because they are not current in terms of nursing technology and theory. And I don't know that we have a program set up. And this I think can probably be done at individual stations. Programs set up for these returning individuals. A refresher course.

I talked to a colleague of mine at a VA in Florida who said, yes, indeed, we signed up 14 nurses that way. They went through our refresher program and do you know how many are left today?

None. And I said, "Well, why?" She said after the program was over they left.

I think that it is hard for me to describe to you what it is really like to be a VA nurse. It is probably one of the most wonderful experiences I have had and it has been one of the most frustrating experiences I have had.

Chairman SIMPSON. It's like being in the U.S. Senate.

Ms. CHAMBERS. Yes, that's right. That's right.

I think that nursing today, the VA just really has to keep abreast of nursing today. We are trying to do that. I feel that VA central office is really very, very supportive. VA central office nursing service is very supportive of the field stations. But we have to have the flexibility to change with the times.

Chairman SIMPSON. The Baylor plan is one of the proposals that we are discussing on the committee level. Can you comment on the potential problems which the VA might encounter in administering the Baylor plan?

Ms. CHAMBERS. The No. 1 problem I think is money. I think it is going to take more people to do it to have a Baylor plan or flexitime, however, I think that the reward for it is better patient care. And I think that it is an excellent retention tool, because it would afford nurses who are full-time employees of the Veterans' Administration, it could afford nurses more weekends off.

Chairman SIMPSON. How would it be determined? What basis could a VA medical center director use to determine which nurses would work 24 hours for the full-time pay status? How do you think that might work?

Ms. CHAMBERS. I would love to put an add in the Sunday Philadelphia Inquirer saying, "We have 12-hour shifts." I get phone calls quite a bit from individuals calling saying, "Do you have 12-hour shifts yet?" Yet. Which meant that the potential is out there.

There are nurses out there that would like to be VA nurses, but it is not lucrative for them.

Chairman SIMPSON. Do you support the proposal to include part-time participants in the nurse scholarship program?

Ms. CHAMBERS. Yes, we do.

Chairman SIMPSON. Do you think the VA nursing shortage is any more critical than that of the entire nursing profession? I think you have commented on that a bit. Do you agree with these bed closure figures? Do you attribute them solely to the nursing shortage? Are you using the same statistics that the VA is using? Do you have other statistics that your group uses?

It would be interesting for me to know how many VA beds are "closed" in the acute care area, in the intensive care unit area, and in the spinal cord injury area. Just a brief comment, please.

Ms. CHAMBERS. OK, I do not have those facts and figures and would be happy to gather those and submit them to you.

Chairman SIMPSON. If you would. Yes.

And do you think there will be serious VA nursing shortages in the next decade? Do you think that same shortage will occur in the private sector? Just your brief thoughts on that, please.

Ms. CHAMBERS. I believe that nursing is in a crisis, which is something that I have said in the written testimony. The VA nursing being a part of that is also in such a crisis.

It is not advantageous for individuals to become nurses anymore. I think that part of it is the changing of the times. It used to be that nursing was predominantly a female profession. That is no longer it.

Chairman **Simpson**. How many male nurses are there? I would be interested in knowing that. I see a great upsurge in that in the private sector.

Ms. **Chambers**. Yes.

Chairman **Simpson**. Do you find that same increase in the VA?

Ms. **Chambers**. I see more and more men entering nursing and I see more men coming to the VA, which I think is a real plus for the VA.

Chairman **Simpson**. Here's your chance. One more.

Do you have any other suggestions how we might retain nurses already employed by the VA, other than just money, which or course, would solve anything in this city.

Ms. **Chambers**. No, money will not.

Chairman **Simpson**. Really?

Ms. **Chambers**. Money will not solve everything.

Chairman **Simpson**. Well, we're going to give you a star. Go ahead. I'd be interested in your views.

Ms. **Chambers**. I think that nurses are very interested in being treated as professionals. I think that nurses are interested in their work, in the manner of how they are treated.

Nurses are no longer going to tolerate this satinmaiden, handmaiden role that they used to assume. The American Journal of Nursing in February had an article regarding the image of the nurse and how the nurse has been treated via the media. And I think that what the article pointed out is that it is now passe. However, the image of the public, that the public has of nurses remains the individual who takes the messages and passes them out to the various people strolling by and is a little, shall we say, whiffty when it comes to being knowledgeable, thinking, caring people.

Chairman **Simpson**. Well, I think that image is falling into disfavor. I really do. You are a very fine spokesperson for your profession and you should come and testify again sometime. It is very effective.

Ms. **Chambers**. I will be available any time.

Chairman **Simpson**. OK. Well, I would appreciate it. Thank you very much.

Ms. **Chambers**. Thank you.

Chairman **Simpson**. You're very helpful. Thank you.

Now, our final witness is Jack Dack, Commandant of the Iowa Veterans' Home in Marshalltown, Iowa, accompanied by Edward White, budget analyst, for the National Association of State Veterans' Homes.

TESTIMONY OF JACK J. DACK, COMMANDANT, IOWA VETERANS' HOME, MARSHALLTOWN, IOWA, ACCOMPANIED BY EDWARD J. WHITE, BUDGET ANALYST; AND HARRY A. WARREN, PRESIDENT, NATIONAL ASSOCIATION OF STATE VETERANS' HOMES

Mr. DACK. Mr. Chairman, may I beg your indulgence for a moment while I introduce my colleagues who traveled a great distance to be here with us today.

On my right is Mr. Harry Warren, who is president of the National Association of State Veterans' Homes. And in the audience we have Mr. Fred Traill, commandant of the Michigan home, who is on the legislative committee, and Mr. Paul Battisti, commandant of the California veterans' home who is on the legislative committee, and Mr. Doug Camp and Mr. Bill Flanagan from the Department of Veterans' Affairs in the State of Oklahoma.

And I would also like to add that we are very well acquainted with Mr. Tarter, the commandant of the home in Buffalo, Wyo.

Chairman SIMPSON. Indeed.

Mr. DACK. Mr. Chairman, distinguished members of the Senate Veterans' Affairs Committee, the National Association of State Veterans' Homes appreciates this privilege to express its support of the need for legislation to amend title 38 of the United States Code as follows: (a) The extension of the authority for the program of grants to States for State home facilities in the area of construction, S. 2383, and, (b) to provide a more equitable formula for payments by the Administrator of Veterans' Affairs to the States for the costs of care provided in State veterans' homes, S. 1034.

The National Association of State Veterans' Homes has submitted to the committee written testimony for its understanding of the association's position pertinent to both subjects.

The State veterans' home program has grown from 11 homes in 11 States in 1888 to presently 48 homes in 33 States and the District of Columbia. Nursing home care is provided in 37 homes, domiciliary care in 41 homes, and hospital care in 7 homes. These homes presently have approximately 17,000 beds; and, in fiscal year 1981, provided more that 4 million days of care.

The General Accounting Office has found State veterans' homes to be a cost-effective alternative to providing care in VA facilities.

Since the enactment of Public Law 88-450, which authorized annual appropriations for making grants to State homes in the construction area by the Veterans' Administration, the State home program has continued to utilize such funding to construct new nursing homes, additions to existing facilities, renovate and remodel existing facilities, and to meet the standards of care and the life and safety standards as promulgated by the regulatory agencies, the Veterans' Administration, State health departments, fire marshal's office, department of supervision, and other accrediting agencies.

It goes without saying, with the list of projects awaiting Federal funding in the Veterans' Administration, $67 million as of January 1982, the passage of legislation is deemed necessary and vital if the State home program is to continue in its mission to assist with providing health-care services for the Nation's elderly veterans, and at the same time work toward meeting the Federal and State regulatory agencies requirements, as well as other accrediting bodies.

State veterans' homes have been reimbursed for care provided veterans within the individual State homes since 1888, initially, being paid on a per annum basis. However, such system was changed to a per diem per level of care basis in 1960.

Since 1970, the Federal per diem reimbursement share of the total cost of the State home operations has ranged from 35.3 percent in fiscal year 1970 to 22 percent in fiscal year 1981. In the past few years, this participation has continually dropped after each fixed per diem adjustment, being presently at the 22-percent level.

Much discussion has revolved around what is the appropriate level of participation. In its report on the 1976 increase of per diem rates, this distinguished committee, the Senate Committee on Veterans' Affairs, stated that the increase would, "keep the Federal proportional share of operating costs at levels consistent with the average Federal proportionate share during the past 5 years, approximately 30 percent."

Today, this is not so. The present Federal per diem reimbursement participation equals 15.2 percent of what it would cost the VA to provide the more than 4 million days of care in its own facilities. And again, only 22 percent of what it is costing the State homes to provide the care.

The National Association of State Veterans' Homes approach to a more equal cost sharing process has been to develop a formula concept which would allow for an annual review of the per diem cost of care in the Veterans' Administration and make the necessary adjustment in the State home reimbursement, based on 30 percent of the per diem cost on per level of care basis experienced by the Veterans' Administration of the preceding fiscal year, or 50 percent of the present cost of care in a State home, whichever is lesser.

This would allow the State home program then to receive an annual adjustment, if warranted, allowing the State homes to keep up partially with the increase of cost of care to the States.

The precedent for the formula concept is well established within the Veterans' Administration contract nursing home program. Title 38, United States Code, section 620(a)(ii), "the cost of such nursing home care in such an institution will not exceed 45 per centum of the cost of care furnished by the Veterans' Administration in a general hospital under the direct and exclusive jurisdiction of the Administrator, as such cost may be determined annually by the Administrator, or not to exceed 45 per centum of such cost where determined necessary by the Administrator, upon recommendation of the Chief Medical Director, to provide adequate care." This percentage was raised from 40 percent to 45 percent by Public Law 94-581, the 94th Congress, 1976.

The National Association of State Veterans' Homes is not seeking a great increase. We are looking for an avenue which provides an annual review of the reimbursement process; and, if warranted, an avenue for adjustments in the reimbursement. To this end, we have presented our concept which has been submitted as S. 1034. The National Association of State Veterans' Homes, realizing the magnitude of the cost, is ready to discuss with the committee staff alternatives and variations within the concept which might be less costly by reducing the front-end load.

Chairman SIMPSON. Could you quickly summarize the balance of your testimony? The time has expired and I would like to go on for another 3 or 4 minutes, please.

Mr. DACK. OK.

Chairman SIMPSON. Thank you.

Mr. DACK. All right. It's been pointed out as rebuttal to our attempt to obtain a formula concept to assist with a function under standardized operating procedures. It must be understood that State rights exist and the operation of State veterans' homes is carried out within State statutes which vary from State to State. Even within other human resource programs the individual States have different criteria for participation.

Title 38 of the United States Code and M1, part 1, chapter 3, section 5 of the VA Manual in the Department of Medicine and Surgery deters the veterans' home or the State veterans' home program from getting more than their costs. We cannot make money by providing care for veterans, nor under title 38 can we get more than 50 percent of our costs.

The annual inspection and the analysis of the annual inspections by the Veterans' Administration this past year given to us indicated that there were two deficits, serious problems still existing, life safety deficiencies and inadequate staffing. And of course, we feel that without the continuation or the extension of the grant authority in the construction area and also without an avenue to evaluate the per diem reimbursement on an annual basis and make necessary adjustments the program will continue to suffer in the area of correcting deficiencies.

In some cases, it is felt that States will become discouraged in continuing to assist with providing care for the Nations elderly veterans, which has been verbalized as being a Federal responsibility in the first place.

It is indeed discouraging to note that the projections of the VA for fiscal year 1983 reflect nursing home care per diem costs within the VA estimated to be $92.29, up from $80.40, fiscal year 1981 actual; domiciliary care per diem cost would be $36.34, up from $31.70, fiscal year 1981 actual; and the community nursing home per diem reimbursement to be $54.24, up from $40.77, which is VA fiscal year 1981 actual.

And of course, in the medical bed section hospital care per diem cost to be $213.61, up from $172.71, fiscal year 1981 actual.

Chairman SIMPSON. Excuse me. I'm sorry, I hate to be rude.

Mr. DACK. Yes.

Chairman SIMPSON. But, you know, crank her up there.

Mr. DACK. I've got one more comment. The average per diem increase from 1980 to 1981 on the State home program rose 18.6 percent for domiciliary care, 13.9 percent for nursing home care, and 22.9 percent for hospital care. We think that this clearly reflects the rapid increase in costs in VA facilities and the State home rate remains the same, but their costs do not.

So, Mr. Chairman, I thank you for your kind consideration in allowing us to appear here.

Chairman SIMPSON. Thank you.

[The prepared statement of Jack J. Dack, commandant, Iowa Veterans' Home, Marshalltown, Iowa, follows:]

PREPARED STATEMENT OF JACK J. DACK, COMMANDANT, IOWA VETERANS' HOME, MARSHALLTOWN, IOWA

The State Veterans Home Program has grown from eleven Homes in eleven states in 1888, to presently 48 Homes in 33 states and the District of Columbia. Nursing home care is provided in 37 Homes, domiciliary care in 41 Homes, and hospital care in seven Homes. These Homes presently have approximately 17,000 beds; and, in FY 1981, provided more than four million days of care. The program of assistance to states for construction, remodeling, and renovation of State Home facilities began on August 19, 1964, with the enactment of Public Law 88-450, which authorized annual appropriations of $5 million for making grants to State Homes by the Veterans Administration. These grants were limited to no more than 50% of the cost of constructing new nursing care facilities, expanding or remodeling buildings for use as nursing care facilities, and initially equipping such facilities. Public Law 91-178, enacted on December 30, 1969, established a separate grant/assistance program, providing no more than 50% Federal funding for the remodeling of existing State Home hospital and domiciliary facilities and authorized an annual appropriation of $5 million for such grants. Subsequently, the enactment of Public Law 93-82 on August 2, 1973, raised the maximum amount of V.A. participation in the construction of individual projects in both the nursing facility program and domiciliary and hospital facility program from no more than 50% to no more than 65% of the cost.

The last substantive amendments to the State Home Construction authorities were made by Public Law 95-62, enacted on July 5, 1977, which consolidated the two programs into a single grant authority. It increased the annual authorization of appropriations for the consolidated program to $15 million and established a limit to any one state, not to exceed one-third of the amount appropriated for the fiscal year. This also provided for the construction of new domiciliaries. From FY 1966 through 1980, this program has obligated $67.8 million in support of 5,503 new nursing home care beds, $9.2 million in support of 632 new domiciliary beds, and $19.7 million for remodeling/modification of existing facilities. (Data obtained from V.A.) This program makes it possible to extend health care to veterans beyond that which is provided in V.A. facilities by assisting states in the construction, remodeling and renovation of state-owned facilities. It is a cost-effective program, in that the Federal participation is limited to no more than 65% of the cost. Information provided the Conferees at the February 14-17, 1982, Mid-Winter Conference of the National Association of State Veterans Homes, Washington, D.C., by the Office of Extended Care, State Home Program, Veterans Administration, indicated that as of January 31, 1982, there existed applications awaiting funding by the V.A. of over $67 million. Many states have indicated that they plan to submit additional applications in the next five years, requiring $146.5 million Federal participation. The 29 state-submitted projects awaiting funding includes six new State Homes involving 930 new nursing care beds and 300 new domiciliary beds. Other projects involve at least 100 new nursing care beds in established Homes, a hospital addition of 56 beds in an established Home, with the remainder of the projects involving renovation to meet Federal and State Life Safety and general regulatory agencies' requirements and grant increases.

Again, information provided at the 1982 Mid-Winter Conference of the National Association of State Veterans Homes, Washington, D.C., by the Office of Extended Care, State Home Program, Veterans Administration, Washington, D.C., Analysis of Annual State Home Inspections clearly validates the necessity of maintaining the grant program effort to correct the documented life safety deficiencies. "While most State Veterans Homes have shown a remarkable improvement in correcting cited deficiencies since the V.A. began using the Standards of Care in FY 1979, more can be done. The most serious problems are life safety deficiencies and inadequate staffing. Some Homes have been deficient in these areas for three years."

The Legislation proposed would amend 38 U.S. Code 5033 (A) to extend the program of grants to states for construction, remodeling, or renovation of State Home facilities, for furnishing nursing home, domiciliary and hospital care for eligible veterans and is necessary if the states are to continue progress in meeting these life safety standards. The Aging Veteran, Present and Future Medical Needs, October 1977, Veterans Administration, Washington, D.C., indicates that "at the present time, veterans comprise 45% of all American males over the age of 20 years. Because of the large number of veterans of World War II and the Korean War, by 1990, more than half of the U.S. males over age 65 will be veterans; and, by 1995, veterans will exceed 60% of the total. It is important to bear in mind that veterans will comprise the major portion of the male-aged population for the remainder of the century."

In the June, 1981, letter of transmittal of a draft bill to the Speaker of the House of Representatives to extend the Grant Program, the then Acting Administrator of the Veterans Administration provided the following justification for the extension of the authority for the Grant Program. "Present V.A. facilities are not adequate to cope with the special needs of today's elderly veterans. The V.A.'s 88 Nursing Homes are filled to capacity, and there are long waiting lists for admission to most of them. Some state nursing homes and domiciliaries are also running at near capacity. It is clear that much needs to be done to prepare for the increasing number of elderly veterans (about three-fold in 15 years) who will require extended care before the next decade has passed. The State Home Program has long been recognized as a high quality, cost-efficient alternative to the provision of extended care in V.A. facilities. Current V.A. planning anticipates continued growth in the State Home Program to help meet the future demand for extended health care of the aging veteran population." (Emphasis supplied.) In correspondence with the Legislative Chairman of the National Association of State Veterans Homes, September, 1981, the present V.A. Administrator supported the continuation of the Program: "In order for the VA to continue its support to State

Homes, we have formally requested that Congress extend through Fiscal Year 1986 our authority to provide grants to the states for the construction, remodeling, or renovation of state home facilities. As you probably know, this request was introduced on June 25 by Rep. Ronald Mottl as H.R. 4025."

The National Association of State Veterans Homes strongly concurs with the demonstrated need for continued growth in the State Veterans Home Program. Specific information on projected nursing home care needs is displayed in the attached table. The passage of legislation to extend the Program is vital to the combined state and federal efforts focused on meeting the increasing care needs of America's aging veteran population.

Attachment

Nursing Home Care Need Projections

	Total Veteran Need	VA-NHCU Av Op Beds	VA-NHCU Census	State NHC Census	CNHC Census	Estimated VA Supported NHC Census	% of Veteran Need
1976	103,000	7,389	6,982	4,245	6,646	17,873	17.4% (actual)
1977	99,975	7,684	7,300	4,800	7,600	19,700	19.7% (actual)
1980	120,298	9,107	8,652	6,174**(5,586)*	9,234	24,060	20.0% (projected)
1985	145,817			6,707**		29,163	20.0% (projected)
1990	170,411			7,838**		34,082	20.0% (projected)
1995	223,627			10,286**		44,725	20.0% (projected)
2000	272,483			12,534**		54,496	20.0% (projected)

*Actual State NHC census FY 1980 indicating that the State Home census is running approximately 2% less than the projection as indicated in the table.

**State Nursing Home Care census 1985, 1990, 1995, and 2000, based on percentage projection as indicated by the actual State NHC for FY 1980.

Source: The Aging Veteran, Veterans Administration Publication, 1977.

4-08-82

POSITION OF NATIONAL ASSOCIATION OF STATE VETERANS HOMES IN SUPPORT OF LEGISLATION TO AMEND TITLE 38 OF THE UNITED STATES CODE TO PROVIDE A MORE EQUITABLE FORMULA FOR PAYMENTS BY THE ADMINISTRATOR OF VETERANS AFFAIRS TO STATES FOR COST OF CARE PROVIDED IN STATE (VETERANS) HOMES

S. 1034

Historically, the contribution of the Federal Government to State Veterans Homes was one of assistance in domiciliary care. However, the 1939 amendment to the basic statute permitted federal-aid programs where hospital care and treatment was furnished in State Veterans Homes. The per diem allowances were extended to State Veterans Homes providing nursing home care in 1964. PL 88-450 in 1964 also permitted Veterans Administration grants for new nursing home care construction and alterations at State Veterans Homes. PL 91-178 in 1969 made available grants to States for alteration, modification and remodeling of domiciliary and hospital facilities in State Veterans Homes. PL 95-62, State Veterans Home Assistance Improvement Act, 1977 married the two above laws with modifications; increased the annual appropriation to 15 million dollars; placed 1/3 limit of the annual appropriation to any one State and included authorization for construction of new domiciliaries.

For purposes of S. 1034, which deals with a different method of per diem payments, it might be noted that the concept of per diem payments evolved as follows:

1888 - $100 per annum for each domiciled veteran
1920 - $120 " " " " " "
1939 - $240 " " " " " " and hospitalized veteran
1943 - $300 " " " " " " " " "
1948 - $500 " " " " " " " " "
1954 - $700 " " " " " " " " "
1960 - $2.50 per diem for each domiciled or hospitalized veteran
1964 - $3.50 per diem for each nursing home care veteran
1968 - $3.50 per diem for each domiciled or hospitalized veteran
1969 - $7.50 per diem for each hospitalized veteran
1973 - $4.50 per diem for each domiciled veteran
$6.00 per diem for each nursing home care veteran
$10.00 per diem for each hospitalized veteran

1976 - $5.50 per diem for each domiciled veteran
$10.50 per diem for each nursing home care veteran
$11.50 per diem for each hospitalized veteran
1980 - $6.35 per diem for each domiciled veteran
$12.10 per diem for each nursing home care veteran
$13.25 per diem for each hospitalized veteran

Two dates are of particular significance in the foregoing evolution. The first significant change was the 1939 amendment which recognized the evolution of the State Veteran Home concept so that federal assistance was granted for bona fide hospitalization in a hospital operated on State Veteran Home premises. Despite the opposition of the then Administrator of Veterans Affairs, the Senate accepted the so-called Walsh amendment and the Congress enacted a statute setting an allowance for hospital patients in State Veterans Homes at the same rate as that permitted for domiciliary residents. Continual evolution brought an allowance for nursing home care, particularly, when that concept became of decided importance to the Veterans Administration. The second significant change occurred in 1960 when the philosophy of annual payments to State Veterans Homes for veterans in such Homes changed to one of per diem payments, rather than the former annual allowance.

Basically, however, S. 1034 does depart from the traditional and arbitrary method of selecting sums for per diem payments, and replaces that practice with a type of formula that would allow the Federal Government to reimburse, in part, the states for their cost incurred in providing domiciliary care, nursing home care, and hospital care in State Homes to veterans eligible for such care in Veterans Administration facilities. A type of partnership, albeit an inequitable one, has existed between the various states and the Federal Government for almost a century. If we review the debates on the original act of August 27, 1888, we find that this initial statute for monetary allowances to State Veterans Homes was, in effect, an invitation to the states to share the burden of domiciliary care for veterans with the Federal Government. As was stated in the Senate Committee on Military Affairs Report, S. 2116, at that time: "We propose simply to admit into State Homes for disabled soldiers upon the same terms on which they are now admitted to national homes". An exhaustive review of this whole relationship is contained in Report No. 1377 of the House of Representatives, 90th Congress, 2nd session. We respectfully submit that this impartial, detailed study clearly establishes a partnership between State and Federal governments in State Veterans Home operations. However, the partnership has found the federal government contributing a smaller percentage of the cost of maintaining a veteran in a State Veterans Home.

The latest data we have available is that for the fiscal year ending September 30, 1981, from Extended Care, Department of Medicine and Surgery, Veterans Administration. This data shows the sharing of State Home costs as follows:

	V.A. Per diem Payment	Other Support
Domiciliary Care	21.8%	78.2%
Nursing Home Care	25.5%	74.5%
Hospital Care	12.6%	87.4%
Per Cent of Total Cost	22.0%	78.0%

The actual average per diem costs to State Veterans Homes for each category of care during fiscal year 1981 was:

(a) $29.15 for domiciliary care against a maximum Veterans Administration allowance of $6.35.

(b) $47.39 for nursing home care against a maximum Veterans Administration allowance of $12.10.

(c) $107.22 for hospital care against a maximum Veterans Administration allowance of $13.25.

It seems evident from the foregoing that the federal government is carrying a smaller share of the cost in maintaining veterans in State Veterans Homes. Despite the help which the Congress has always given us with per diem legislation, this fluctuating inequitable pattern has existed for years. For example, if we consider the total cost sharing in all categories of care we find the following: (Extended Care, Department of Medicine and Surgery, Veterans Administration.)

	Other Than VA Share of Total Cost	VA Share of Total Cost
FY 1970	64.7%	35.3%
FY 1971	68.1%	31.9%
FY 1972	70.0%	30.0%
FY 1973	72.4%	27.6%
FY 1974	69.7%	30.3%
FY 1975	72.3%	27.7%
FY 1976	70.9%	29.1%
Transitional Quarter (7/1 - 9/30/76	66.8%	33.2%
FY 1977 10-1-76 9-30-77)	68.9%	31.1%
FY 1978	71.9%	28.1%
FY 1979	73.4%	26.6%
FY 1980	76.6%	23.4%
FY 1981	78.0%	22.0%

Fiscal year 1970 was selected to begin this table because Pl 91-178, PL 93-82, Pl 94-417 and Pl 96-151 all became effective during the period resulting in increased

Veterans Administration contributions. Therefore, we felt it only fair to use a block of time when the Congress was continually helping us. It should be noted that PL 94-417 with its per diem increases in all categories of care had an effect of reducing the state shares somewhat in FY 1976 and a bit more during the transitional quarter when it was fully operative. However, it is ironic that the increased federal percentage, relatively small though it was, did not last because of inflation trends noted during FY 1977 and FY 1978. Despite PL 96-151, the per diem increase effective January 1, 1980, there has been little relief as the cost spiral continues to rise, due to double digit inflation and the Veterans Administration per diem rates being fixed under present law. Therefore, whatever temporary assistance is given to the states under existing legislation will be lost as time goes on unless there is a change in the method of reimbursement which provides a mechanism for an annual review and adjustment. It is for this reason that we support S. 1034 because it represents a different method of computing Veterans Administration per diem reimbursement and we believe it will reduce the existing cost sharing inequity.

Essentially, S. 1034 would require the Administrator, Veterans Affairs to provide that per diem reimbursement for State Home domiciliaries, nursing homes, and hospitals be determined by taking 30 per cent of the average per diem costs in Veterans Administration facilities for the preceding fiscal year, but not to exceed one-half the current per diem cost of a veteran's care in a State Home; paying to the individual states whichever is the lesser.

There are several benefits which shall occur:

(a) First, there will be a more equitable cost sharing between the states and the Federal Government, but with the Federal Government bearing less than 50% of the per diem costs of maintaining veterans in State Veterans Homes.

(b) There is a built-in-cost-of-living escalator, but this one can also act as a de-escalator. If the per diem cost of care, on per level of care basis within Veterans Administration facilities continues to rise and inflation continues, then inevitably, all costs shall rise including those of the State Veterans Homes. However, if we have a period of deflation, or the Veterans Administrations' cost of health care is reduced, then all costs, including those of the Homes, should follow that trend. S. 1034 provides for either situation by its formula of predicating payments on incurred costs.

(c) Repetitive acts of the Congress will not be necessary for per diem payments to State Veterans Homes if this bill is passed. No longer shall we be continually "knocking on the door" of the Congress, year after year to try to achieve a more equitable sharing. This is not to imply that we have received anything but a warm welcome from the Congress despite our many visits. But it shall no longer be necessary to repetitively take up the time of Congressmen and Senators as has been the case in the past, for per diem payment purposes.

(d) The "caps" on the reimbursement factor in S. 1034 are such that the payment is based upon the per level of care costs incurred within Veterans Administration facilities of the previous fiscal year or 50% of the current costs within the individual State Home, whichever is the lesser.

(e) We estimate the annual increase cost of S. 1034 to be approximately 37 million dollars for all three levels of care if implemented in 1982. This is a small increase when compared to the fact that the Veterans Administration paid to private Nursing Homes $129,224,000.00 ($40.77 per diem) for contract Nursing Care during FY 1981, according to the Summary of Medical Programs, September 1981, 6 - 36, Veterans Administration, Washington, D.C. It is interesting to note in Title 38, United States Code 620 Transfers for Nursing Home Care (a) (ii) "the cost of such nursing home care in such an institution will not exceed 45 per centum of the cost of care furnished by the Veterans Administration in a general hospital under the direct and exclusive jurisdiction of the Administrator, as such costs may be determined annually by the Administrator, or not to exceed 50 per centum of such cost where determined necessary by the Administrator, upon recommendation of the Chief Medical Director, to provide adequate care."

(f) Within the Veterans Administration Nursing Care units, the 2,136,685 days of nursing care provided by State Veterans Homes, FY 1981 would have cost the Veterans Administration $171,746,740.00 ($80.38 per diem Nursing Care).

(g) State Veterans Homes were paid only a total of $40,743,236 in FY 1981 for all three categories of care, domiciliary, nursing care and hospital. Forty-eight State Veterans Homes in 34 states and the District of Columbia provided 4,132,935 days of care.

When one compares Veterans Administration and State Veterans Home costs, and then considers the present per diem reimbursement payments, the basic inequity of the present system is sharply delineated. For example, Veterans Administration statistics from the office of Veterans Administration Comptroller for FY 1981 show per diem costs as follows:

	Average Daily Cost	Per Diem Rates for State Homes
V.A. domiciliary member	$31.34	
State Veteran Home domiciliary member	$29.15	$ 6.35
V.A. Nursing Home care patient	$80.38	
V.A. Contract Nursing Home care patient (cost to V.A.)	$40.77	
State Veterans Home Nursing Home care patient	$47.39	$12.10
V.A. Hospital Patient (Intermediate Care)	$131.07	
State Veteran Home Hospital	$107.22	$13.75

It is obvious from the foregoing that when a veteran is provided health care services in a State Veterans Home, that Home almost always does the job at a lesser cost than the Veterans Administration. This is understandable because of several factors, such as salaries, research, etc. However, what is not so palatable is the concept of reimbursing the community contract nursing homes on a percentage formula basis, (Title 38, United States Code, Section 620 (a) (ii) versus reimbursing State Veterans Homes on a fixed per diem basis. For example, in FY 1981, this inequitable system resulted in reimbursement to contract nursing homes at an average rate of $40.77 per patient day while State Homes received only $12.10 per patient day. On a cost comparison basis, the above table clearly illustrates that the Veterans Administration is receiving a bargain for every veteran maintained in a state Veterans Home.

On no matter what basis of comparison -- statistical, cost or both -- we believe that State Veterans Homes have a case for passage of S. 1034 with all of its mutual benefits. Yet, we would be entirely remiss if we stopped with only statistics and costs. Again, may we respectfully submit that the quality of care given in State Veterans Homes to the veterans whom we are privileged to serve is at a level of which we can be proud. True, some of our Homes are old and do not have the privacy we are now striving for. Some of us are continually fighting for new equipment and furnishings. Others among us are more affluent. However, whether old or new, we think it can safely be said that we all are aware that behind every statistic and every cost there is a person, in our case a veteran -- who receives every measure of support we can give, and we believe that that support is the very best we can achieve.

In furthering our thesis that we provide a quality of care to our veterans and are deemed cost-effective, may we refer to two sources: House Committee Print No. 36, June 7, 1977, on Health Care for American Veterans by the National Academy of Sciences, National Research Council and to G.A.O. Report on State Veterans Homes, October 22, 1981. We are aware these reports are controversial in terms of their many findings and recommendations. However, we doubt that there will be any argument on those recommendations which encourage (1) the Veterans Administration to explore the possibility of enlarging the states' role in providing long-term care to veterans and (2) State Homes are a cost-effective alternative to providing care in Veterans Administration facilities. Regardless of the controversial aspects of these reports, it seems to us that the State Veterans

Home recommendations are a decided compliment to the quality of care we render and the cost-effectiveness of the State Home program.

It is more important than ever that the State Home Program receive additional assistance in terms of the veterans who will need both Veterans Administration and State Veterans Home services in the relatively near future. Veterans Administration estimates September 30, 1981 cite a total of 30,037,000 living veterans of whom the largest group is 12,136,000 World War II veterans. The average age of the World War II group is estimated by the Veterans Administration to be 61 years. In September, 1981, correspondence with the Legislative Chairman, National Association of State Veterans Homes, the Administrator of Veterans Affairs, Veterans Administration, Washington, D.C. commented in part: "...It has long been recognized that the State Home Program is a high-quality, cost-efficient alternative to the provision of extended care in facilities of the Veterans Administration. The Veterans Administration presently anticipates continued growth in this program to help meet the future demands for extended care of the aging veteran population..." However, many states are finding that the ravages of recession, inflation and unemployment are eroding their ability to continue subsidizing the ever increasing cost of care without a more equitable sharing of these costs by the federal government.

It is this huge body of World War II veterans, the largest this country has ever known, who are reaching an age at which increasing demands will be made on every type of Veterans Administration and State Veterans Home facilities during the next ten years. It will be most difficult, if not impossible, for most of the states to meet these demands without more equity in the partnership with the Federal Government. This is all we are asking with S. 1034.

SOURCES OF INFORMATION

1. The statistics for the FY 1980 days of State Veterans Home care and the FY 1980 State Veterans Home cost for veterans per category of care within the individual State Veterans Home was obtained from "VETERANS ADMINISTRATION FEDERAL GRANTS APPLICABLE TO DOMICILIARY, NURSING AND HOSPITAL CARE PROVIDED BY STATE VETERANS HOMES" compiled by Veterans Administration, Office of Extended Care, State Home Program, Washington, D.C.

2. The statistics for the FY 1981 days of State Veterans Home care and the FY 1981 State Veterans Home cost for veterans per category of care within the individual State Veterans Home was obtained from "VETERANS ADMINISTRATION FEDERAL GRANTS APPLICABLE TO DOMICILIARY, NURSING AND HOSPITAL CARE PROVIDED BY STATE VETERANS HOMES" compiled by Veterans Administration, Office of Extended Care, State Home Program, Washington, D.C.

3. The FY 1982 days of care for veterans provided in State Veterans Homes, each category of care, were projected for each State Home at the same rate of change experienced between FY 1982 and FY 1981 as was experienced between FY 1981 and FY 1980.

   The FY 1982 State Veterans Home cost for veterans per category of care within the individual State Veterans Home was projected at the same rate of change between FY 1982 and FY 1981 as was experienced between FY 1981 and FY 1980.

The statistics for the Veterans Administration average per diem costs for each separate category of Domiciliary, Nursing Home and Hospital care - Medical Bed Section - furnished by the Veterans Administration in Veterans Administration Medical Centers, Nursing Care Units and Domiciliaries for FY 1979, FY 1980 and FY 1981, respectively, were obtained through the Office of House Committee, Veterans Affairs, Washington, D.C. (Veterans Administration Document produced by Office of Controller, Veterans Administration, for FY 1979, FY 1980 and FY 1981, respectively.)

Unaudited Totals.

EW;cj

04-09-82

REIMBURSEMENT TO STATE VETERANS HOMES
NATIONAL ASSOCIATION STATE VETERANS HOMES
PROPOSED LEGISLATION (HR2832/S1034)

FISCAL YEAR	LEVEL OF CARE	1980 STATE HOME DAYS OF CARE	PERCENT CHANGE DAYS OF CARE FROM PREVIOUS YEAR	STATE VETERANS HOME COST OF CARE FY 1980	STATE VETERANS HOME AVERAGE PER DIEM COST	COST OF CARE AT 30% OF THE VA AVERAGE PER DIEM OF (1979) FISCAL YEAR	AVERAGE VA PER DIEM 30% OF VA COST FOR PREVIOUS YEAR	FY 1979 VA PER DIEM	IN AGGREGATE TO STATE HOMES PROPOSED REIMBURSEMENT FROM VA: LESSER 30% PER DIEM VA COST PREVIOUS YEAR OR 50% OF STATE HOME PER DIEM COST PRESENT YEAR	AVERAGE REIMBURSEMENT PER DIEM STATE VETERANS HOMES WOULD RECEIVE	PRESENT STATUTORY REIMBURSEMENT VA ALLOWANCE	PRESENT STATUTORY REIMBURSEMENT AVERAGE PER DIEM
1980	Hospital	340,050	(5.0%)	$ 24,476,599	$71.97	$14,228,292	$41.83	($139.44)*	$10,607,931	$31.20	$ 3,910,577	$11.50
	Nursing	2,044,578	7.6%	$ 83,459,585	$40.01	$40,278,189	$19.70	($65.65)	$36,032,994	$18.01	$21,468,076	$10.50
	Domiciliary	1,787,686	(7.5%)	$ 42,444,837	$23.74	$13,747,441	$ 7.69	($25.64)	$13,675,449	$ 7.65	$ 9,832,285	$ 5.50
	TOTAL	4,172,314	(0.4%)	$150,381,021	$36.04	$68,249,922	$16.36		$61,116,374	$14.65	$35,210,938	$ 8.43
IF PROPOSAL HAD BEEN IN EFFECT IN FY 1980 COST INCREASE AT 30% or 50% CONCEPT WHICHEVER IS LESSER $25,905,436												
				FY 1981	FY 1981	1980 FISCAL YEAR	FY 1980	FY 1980 VA PER DIEM				
1981	Hospital	320,747	(5.7%)	$ 34,389,988	$107.22	$15,309,254	$47.73	$159.10*	$14,280,456	$44.52	$ 4,249,899	$13.25
	Nursing	2,136,685	4.5%	$101,253,599	$ 47.39	$48,325,405	$22.62	$ 75.39	$45,452,873	$21.27	$25,853,891	$12.10
	Domiciliary	1,675,503	(6.3%)	$ 48,834,315	$ 29.15	$14,772,910	$ 8.82	$ 29.39	$14,690,197	$ 8.77	$10,639,444	$ 6.35
	TOTAL	4,132,935	(1.0%)	$184,477,902	$ 44.64	$78,407,569	$18.97		$74,423,526	$18.01	$40,743,234	$ 9.86
IF PROPOSAL HAD BEEN IN EFFECT IN FY 1981 COST INCREASE AT 30% OR 50% CONCEPT WHICHEVER IS LESSER $33,680,292												
PROJECTED ***												
				FY 1982	PROJECTED FY 1982	1981 FISCAL YEAR	FY 1981	FY 1981 VA PER DIEM				
1982	Hospital	312,331	(2.6%)	$ 36,969,301	$118.37	$12,280,856	$39.32	$131.07**	$12,280,677	$39.32	$ 4,138,387	$13.25
	Nursing	2,206,345	3.3%	$116,734,417	$ 52.91	$53,203,802	$24.11	$ 80.38	$50,777,389	$23.01	$26,696,778	$12.10
	Domiciliary	1,595,858	(4.8%)	$ 51,050,408	$ 31.99	$15,001,065	$ 9.40	$ 31.34	$14,875,876	$ 9.32	$10,133,703	$ 6.35
	TOTAL	4,114,534	(0.5%)	$204,754,126	$ 49.76	$80,485,723	$19.56		$77,933,942	$18.94	$40,960,868	$ 9.93
IF PROPOSAL HAD BEEN IN EFFECT IN FY 1982 COST INCREASE AT 30% OR 50% CONCEPT WHICHEVER IS LESSER $36,965,074.												

* Medical Bed Section

** Intermediate Hospital Care

*** Estimated data shows increases or decreases in days of care and cost of care in FY 1982. THESE WERE ESTIMATED TO THE SAME APPROXIMATE CHANGE FOR FY 1982 COMPARED TO FY 1981 as was experienced between FY 1981 and FY 1982 for each State Veterans Home.

EW;cj
04-07-82

PROJECTED REIMBURSEMENT TO STATE VETERANS HOME THROUGH FORMULA OF LESSER OF 30% OF AVERAGE PER DIEM ON 50% OF THE COST OF VETERAN CARE COMPARED TO ACTUAL VA REIMBURSEMENT THROUGH STATUTORY PAYMENTS

1981 DAYS OF CARE AND 1980 AVERAGE VA PER DIEM
ALL LEVELS OF CARE COMBINED

STATE	LOCATION	AMOUNT RECEIVED FROM PRESENT STATUTORY PAYMENTS	AMOUNT THAT WOULD BE RECEIVED FROM PROPOSED FORMULA	INCREASE THROUGH NEW FORMULA
AR	Little Rock	66,491	92,323	25,832
CA	Yountville	4,252,501	9,985,825	5,733,324
CO	Florence	482,161	769,067	286,906
	Homelake	234,759	332,749	97,990
CT	Rocky Hill	2,450,079	5,905,960	3,455,911
DC	Occaquan	273.939	380,365	106,426
GA	Augusta	781,515	1,305,647	524,132
	Milledgeville	1,363,621	2,304,539	940,918
ID	Boise	492,164	728,621	236,457
IL	Quincy	1,658,161	3,115,330	1,457,169
IN	Lafayette	980,820	1,734,900	754,080
IA	Marshalltown	1,922,391	4,146,961	2,224,570
KS	Fort Dodge	359,573	459,743	100,170
LA	Jackson	251,422	349,100	97,678
MA	Chelsea	1,381,427	3,063,276	1,681,849
	Holyoke	1,194,810	2,266,294	1,071,484
MI	Grand Rapids	2,663,338	4,803,109	2,139,771
	Marquette	21,412	29,731	8,319
MN	Hastings	280,137	388,971	108,834
	Minneapolis	959,875	1,497,485	537,610
MO	St. James	657,631	819,726	162,095
MT	Columbia Falls	316,448	505,398	188,950
NB	Grand Island	2,036,607	3,559,376	1,522,765
NH	Tilton	397,630	608,769	211,139
NJ	Menlo Park	1,242,524	1,764,631	522,107
	Vineland	1,126,201	2,098,054	971,853
NY	Oxford	374,860	654,736	279,876
ND	Lisbon	251,371	349,030	97,659
OH	Sandusky	2,022,192	2,724,592	702,400

PROJECTED REIMBURSEMENT TO STATE VETERANS HOME THROUGH FORMULA OF LESSER OF 30% OF AVERAGE PER DIEM ON 50% OF THE COST OF VETERAN CARE COMPARED TO ACTUAL VA REIMBURSEMENT THROUGH STATUTORY PAYMENTS

1981 DAYS OF CARE AND 1980 AVERAGE VA PER DIEM ALL LEVELS OF CARE COMBINED

STATE	LOCATION	AMOUNT RECEIVED FROM PRESENT STATUTORY PAYMENTS	AMOUNT THAT WOULD BE RECEIVED FROM PROPOSED FORMULA	INCREASE THROUGH NEW FORMULA
OK	Ardmore	$ 573,424	884,160	310,736
	Clinton	722,600	1,315,890	593,290
	Norman	674,775	1,045,528	370,753
	Sulphur	705,653	1,363,914	658,261
	Talihina	651,730	1,218,197	566,467
PA	Erie	473,288	802,337	329,049
	Hollidaysburg	316,577	516,650	200,073
RI	Bristol	1,342,917	2,408,723	1,065,806
SC	Columbia	485,041	714,934	229,893
SD	Hot Springs	314,331	469,423	155,092
VT	Bennington	570,484	876,111	305,627
WA	Orting	560,109	959,287	399,178
	Retsil	733,816	1,221,564	487,748
WI	King	2,014,515	3,732,624	1,718,109
WY	Buffalo	107,944	149,880	41,936
		$ 40,743,234	$ 74,423,526	$ 33,680,292

EW;cj

02-09-82

PROJECTED REIMBURSEMENT TO STATE VETERANS HOME THROUGH FORMULA OF LESSER
OF 30% OF AVERAGE PER DIEM ON 50% OF THE COST OF VETERAN CARE
COMPARED TO ACTUAL VA REIMBURSEMENT THROUGH STATUTORY PAYMENTS

1982 DAYS OF CARE AND 1981 AVERAGE VA PER DIEM
ALL LEVELS OF CARE COMBINED

STATE	LOCATION	AMOUNT RECEIVED FROM PRESENT STATUTORY PAYMENTS	AMOUNT THAT WOULD BE RECEIVED FROM PROPOSED FORMULA	INCREASE THROUGH NEW FORMULA
AR	Little Rock	$ 132,982	$ 196,855	$ 63,873
CA	Yountville	4,102,050	8,958,563	4,856,513
CO	Florence	478,301	918,259	439,958
	Homelake	244,392	360,269	115,877
CT	Rocky Hill	2,384,888	5,708,432	3,323,544
DC	Occoquan	248,463	367,803	119,340
GA	Augusta	777,607	1,489,020	711,413
	Milledgeville	1,478,443	2,708,520	1,230,077
ID	Boise	501,156	832,556	331,400
IL	Quincy	1,648,933	3,219,669	1,570,736
IN	Lafayette	1,072,199	2,022,374	950,175
IA	Marshalltown	1,989,565	4,202,314	2,212,749
KS	Fort Dodge	359,497	468,591	109,094
LA	Jackson	250,165	370,322	120,157
MA	Chelsea	1,367,685	2,779,923	1,412,238
	Holyoke	1,227,475	2,438,883	1,211,408
MI	Grand Rapids	2,652,821	5,098,350	2,445,529
	Marquette	42,824	63,394	20,570
MN	Hastings	252,686	374,054	121,368
	Minneapolis	812,036	1,366,458	554,422
MO	St. James	748,400	988,180	239,780
MT	Columbia Falls	308,464	548,459	239,995
NB	Grand Island	2,168,800	4,182,347	2,013,547
NH	Tilton	393,262	654,570	261,308
NJ	Menlo Park	1,165,148	2,024,220	859,072
	Vineland	1,147,189	2,286,224	1,139,035
NY	Oxford	483,030	915,449	432,419
ND	Lisbon	263,188	389,602	126,414
OH	Sandusky	1,847,108	2,828,820	981,712

PROJECTED REIMBURSEMENT TO STATE VETERANS HOME THROUGH FORMULA OF LESSER
OF 30% OF AVERAGE PER DIEM ON 50% OF THE COST OF VETERAN CARE
COMPARED TO ACTUAL VA REIMBURSEMENT THROUGH STATUTORY PAYMENTS

1982 DAYS OF CARE AND 1981 AVERAGE VA PER DIEM
ALL LEVELS OF CARE COMBINED

STATE	LOCATION	AMOUNT RECEIVED FROM PRESENT STATUTORY PAYMENTS	AMOUNT THAT WOULD BE RECEIVED FROM PROPOSED FORMULA	INCREASE THROUGH NEW FORMULA
OK	Ardmore	$ 578,572	$ 972,275	$ 393,703
	Clinton	719,434	1,391,962	672,528
	Norman	629,156	1,010,828	381,672
	Sulphur	680,315	1,423,636	743,321
	Talihina	668,114	1,331,479	663,365
PA	Erie	473,335	852,712	379,377
	Hollidaysburg	322,139	557,830	235,691
RI	Bristol	1,454,191	2,789,136	1,334,945
SC	Columbia	486,977	729,0[illegible]	242,080
SD	Hot Springs	302,999	465,280	162,281
VT	Bennington	568,296	946,541	378,245
WA	Orting	584,533	1,064,148	479,615
	Retsil	827,127	1,493,463	666,336
WI	King	2,012,877	3,977,252	1,964,375
WY	Buffalo	112,046	165,863	53,817
	TOTAL	$40,968,868	$77,933,942	$36,965,074

EW;cj
02-09-82

II

97TH CONGRESS
1ST SESSION

S. 1034

To amend title 38, United States Code, to provide a more equitable formula for payments by the Administrator of Veterans' Affairs to States for the cost of care provided in State nursing homes to veterans eligible for such care in Veterans' Administration facilities.

IN THE SENATE OF THE UNITED STATES

APRIL 29 (legislative day, APRIL 27), 1981

Mr. GRASSLEY (for himself and Mr. JEPSEN) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

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A BILL

To amend title 38, United States Code, to provide a more equitable formula for payments by the Administrator of Veterans' Affairs to States for the cost of care provided in State nursing homes to veterans eligible for such care in Veterans' Administration facilities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 641 of title 38, United States Code, is amended to read as follows:

"§ 641. Criteria for payment

"(a) The Administrator shall pay to each State amounts determined pursuant to subsection (b) of this section to reimburse, in part, the States for the cost incurred by the States in providing domiciliary care, nursing home care, and hospital care in State homes to veterans eligible for such care in Veterans' Administration facilities.

"(b)(1) Payments to be made under subsection (a) of this section shall be made on the basis of per diem rates of payment to be determined by the Administrator in accordance with this subsection. The Administrator shall determine separate per diem rates of payment for domiciliary care, nursing home care, and hospital care.

"(2) The per diem rate of payment for domiciliary care shall be 30 per centum of the average per diem cost of providing domiciliary care to veterans in Veterans' Administration facilities over which the Administrator has direct jurisdiction.

"(3) The per diem rate of payment for nursing home care shall be 30 per centum of the average per diem cost of providing nursing home care to veterans in Veterans' Administration facilities over which the Administrator has direct jurisdiction.

"(4) The per diem rate of payment for hospital care shall be 30 per centum of the average per diem cost of providing hospital care to veterans in Veterans' Administration facilities over which the Administrator has direct jurisdiction.

"(5) In no case may the payment made under this section with respect to the care of any individual veteran in a State home exceed one-half of the current cost of that veteran's care in such State home. In determining the cost of a veteran's care in any State home for the purposes of this section, separate determinations shall be made with respect to the cost of domiciliary care, nursing home care, and hospital care.

"(c) Payments to the States under this section shall be made at such intervals as the Administrator considers feasible, but not less often than once per quarter.

"(d) The Administrator shall redetermine per diem rates of payment under subsection (b) of this section not less often than once each fiscal year based upon costs during the preceding fiscal year of providing care in Veterans' Administration facilities over which the Administrator has direct jurisdiction.".

SEC. 2. The amendment made by the first section of this Act shall take effect on October 1, 1981.

Chairman Simpson. Let me ask a couple of questions.

Certainly before the committee would consider a measure such as S. 1034, which would increase VA per diem payments to the State veterans' homes for veterans' health-care services, we may well require some kind of documented assurance that the State veterans' homes have exhausted all other sources of payment for their services.

I'm not saying that is a committee viewpoint; I'm saying that it is going to come up in the discussion.

If you could briefly tell the committee the extent to which State veterans' homes now utilize revenue sources other than the VA per diem reimbursement? For example, do State homes routinely derive revenue from veterans' pensions and other health insurance such as medicare and private insurance policies?

Are there concrete plans to do so in all State veterans' homes? Are there any plans to coordinate these efforts to utilize other revenue sources?

I am aware, of course, that each State has its own statutory guidelines, but when we come into Federal reimbursement we have an obligation to see that those various States are exercising, to the fullest extent, their efforts to derive revenue from other sources also. So, please, your response to that.

Mr. Dack. Mr. Chairman the committee ran a survey on all 47 homes from July 1, 1980 through June 30, 1981. And in compilation of this material which were unaudited figures, we found they were collecting from pensions about 10.36 percent, 10.36 percent of their cost. Compensation was about 0.78 percent. Social security was about——

Chairman Simpson. Was what?

Mr. Dack. The compensation was 0.78 percent.

Chairman Simpson. Yes, OK. 0.78 percent

Mr. Dack. And the social security was 6.11 percent. Medicare was 3.21 percent. Medicaid 2.25 percent. The States were still participating at 56.02 percent with the Veterans' Administration participating at 21.27 percent of the cost of the State home program.

Chairman Simpson. So, on the average, the State homes are deriving over 51 percent of their own support from those systems?

Mr. Dack. As of last July, 56 percent—I mean, last June 30.

Chairman Simpson. I think it is important that the States remain heavy participants in this activity.

Are there any available figures that outline the "needs projection" for State veterans' homes in the next decade? How many new homes will be built or existing homes renovated?

How often is there direct communication between the State veterans' homes and the VA? And what seems to prompt those interchanges? And what are the results?

I would be interested if you could just respond briefly as to whether there is sufficient communication within the VA? Would you propose any change in the State veterans' homes' relationship with the VA?

Mr. Dack. I feel that the association has an excellent relationship with the Veterans' Administration. They are in attendance at our summer and mid-winter conferences. Plus the fact we have direct communication among the commandants with the Veterans'

Administration, Dr. Paul Haber. I would indicate that it is difficult to ascertain how many States will become involved in a State home program because this initiates at the grassroots level through the veterans' organizations mainly.

And maybe a facility also will become vacant and a State will look into that point of view. However, again it is just difficult to come up with any figure. It is hard to get a State turned on. And once you get them turned on we need the funds to be able, within the program, to assist with providing care.

Chairman SIMPSON. I thank you very much. There will be some additional questions submitted in writing to the witnesses from other members of the committee.

I thank you for being here and for your testimony. Thank you all for your attendance, and that will conclude this hearing.

[Whereupon, at 11:30 a.m., this hearing was adjourned.]

APPENDIX A

Calendar No. 663

97TH CONGRESS } SENATE { REPORT
2d Session } { No. 97–467

VETERANS' ADMINISTRATION HEALTH-CARE PROGRAMS IMPROVEMENT AND EXTENSION ACT OF 1982

JUNE 8, 1982.—Ordered to be printed

Filed under authority of the orders of the Senate of May 12 (legislative day, May 11), 1982 and of June 8, 1982

Mr. SIMPSON, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany S. 2385]

The Committee on Veterans' Affairs, to which was referred the bill (S. 2385) to amend subchapter IV of chapter 73 of title 38, United States Code, to modify the Veterans' Administration health professional scholarship program, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a committee substitute, and an amendment to the title, and recommends that the bill, as amended, do pass.

COMMITTEE AMENDMENTS

The amendments are as follows:
Strike out all after the enacting clause as follows:

* * * * * * *

INTRODUCTION

S. 2385 was introduced on April 15, 1982, by the Chairman of the Committee, Senator Alan Simpson. As introduced, S. 2385 would have amended the Veterans' Administration Health Professional Scholarship Program to provide scholarship assistance to VA employed nurses attending school on a part-time basis and to permit funds appropriated for the Health Scholarship Program for fiscal year 1982 to be used until expended. On April 15, 1982, Chairman Simpson, at the request of the Administration, also introduced S. 2383, and S. 2384. As introduced, S. 2383 would have extended the authority for construction grants to State veterans' homes. S. 2384 would have extended from September 30, 1982, to September 30, 1983, authority pursuant to which the Veterans' Administration provides contract hospital care for certain veterans in Puerto Rico and the Virgin Islands.

Also on April 15, 1982, S. 2389 was introduced by the ranking minority member of the Committee, Senator Alan Cranston. As introduced, S. 2389 would have first, modified the VA's Health Professional Scholarship Program to authorize scholarship assistance for part-time study and to make funds appropriated for the program available until expended; second, authorized other provisions relating to work schedules and pay to improve recruitment and retention of nursing personnel; third, extended certain VA health-care programs; fourth, provided women veterans with eligibility for certain outpatient care on a fee-for-service basis for gender-related disabilities; fifth, provided that CHAMPVA beneficiaries who lose their CHAMPVA health care eligibility by virtue of becoming eligible for Medicare benefits, would again become eligible for CHAMPVA benefits once they have exhausted any of their Medicare benefits; sixth, required the Administrator to publish proposed regulations regarding the implementation of certain sections of Public Law 96–330, relating to modifications in rates of pay including modifications made by provisions of this bill; and seventh, provided an express statutory authority for the VA to provide physical examinations prior to the point at which it is determined if a veteran is eligible for VA care or other benefits.

The Committee held a hearing, on April 21, 1982, chaired by Senator Simpson to receive testimony on S. 2383, S. 2384, S. 2385, S. 2389 and S. 1034. Those testifying at the hearing included Dr. Earl Brown, the Veterans' Administration Associate Deputy Chief Medical Director and other representatives of the Veterans' Administration; representatives from The American Legion, the Veterans of Foreign Wars, the Nurses Organization of the Veterans' Administration, and the National Association of State Veterans Homes.

After receiving the testimony, the Committee met in open session on April 28, 1982, and voted to report favorably S. 2385, with an amendment in the nature of a committee substitute and a title amendment. S. 2385 as reported consists of provisions derived with modifications from S. 2383, S. 2384, S. 2385, and S. 2389.

SUMMARY OF S. 2385 AS REPORTED

Basic Purpose

The basic purpose of S. 2385 as reported (hereinafter referred to as "the Committee bill") is to maintain and improve the quality, scope, and efficiency of health-care services provided the Nation's veterans through the Veterans' Administration health-care system. The Committee bill would accomplish this purpose principally by enhancing the Veterans' Administration's ability to recruit and retain qualified nursing personnel by improving the VA's Health Scholarship Program, by authorizing certain alternative and flexible work schedules for nurses and by providing new authority for the Administrator to modify rates of pay for nurses.

The Committee bill would extend the authority for the VA to provide hospital care and medical services in Puerto Rico and the Virgin Islands and other territories of the United States on a contract basis; extend the authorization of appropriations for matching fund grants to States for construction and renovation of State veterans' home health-care facilities; and extend for one year the reporting date by which the VA must report on the pilot program for treatment and rehabilitation of alcohol and drug dependence.

The Committee bill would also authorize the Administrator to provide certain outpatient care on a fee-for-service basis for the nonservice-connected disability of a woman veteran; provide that CHAMPVA beneficiaries would have restored and not again lose their CHAMPVA health-care eligibility because of eligibility for Medicare benefits; authorize sharing of information between the VA and State veterans' home health-care facilities; require the publication of proposed regulations relating to authorities provided in Public Law 96–330 including modifications made by the Committee bill; and make other technical amendments.

Summary of Provisions

Provisions of the Committee bill would:

1. Expand the VA's Health Professional Scholarship Program provisions by authorizing the VA to award scholarships to individuals employed by the VA and attending school on a part-time basis. The number of years of scholarship support would be limited to not more than 4 years except that, in an individual case, up to 2 more years of support may be provided, when the Administrator determines it to be in the best interest of the United States to waive the limitation. Part-time students would be allowed to carry no less than half the credit hours of a full-time student, and their minimum VA service obligation would be no less than 1 year.
2. Provide that funds appropriated for the scholarship program would remain available until expended.
3. Authorize the Administrator, when necessary for recruitment and retention purposes, to pay the additional-pay rate for registered nurses currently authorized for a tour of duty beginning or ending on a Sunday—a rate equal to 25 percent of the nurse's basic pay—for part or all of a tour of duty that begins or ends on a Saturday.
4. Provide the Administrator with greater flexibility to increase, on a nationwide, local or other geographic basis, the rates of additional pay for night, weekend, holiday, and overtime work if the Administrator determines that the use of the authority is needed for recruitment and retention.
5. Authorize the Administrator to provide flexible or compressed work schedules on a nationwide, local or other geographical basis for VA health-care personnel.
6. Authorize the Administrator to use his discretion, to allow nurses at individual VA facilities to work two 12-hour tours of duty during a weekend and have such service be considered a full 40-hour workweek.
7. Require the Administrator, within 90 days after the date of enactment of the Committee bill, to publish in the Federal Register, for public review and comment, proposed regulations for the implementation of the authority provided in Public Law 96–330—including modifications proposed by the Committee bill—to increase rates of additional pay for nurses, to extend the period for which additional "weekend" pay is paid to nurses, and to increase rates of basic pay for VA health-care personnel.

8. Authorize the Administrator to provide certain outpatient care on a fee-for-service basis for a non-service-connected, gender-related disability of a woman veteran, when the VA is unable to provide appropriate care for such disability.

9. Provide that CHAMPVA beneficiaries who lose their CHAMPVA health-care eligibility by virtue of becoming eligible for Medicare benefits would again become eligible for CHAMPVA benefits once any of their Medicare benefits have been exhausted and would not thereafter lose CHAMPVA eligibility by virtue of regaining Medicare eligibility.

10. Authorize the VA to exchange and share medical data, information, and techniques with health-care professionals at State veterans' home health-care facilities.

11. Extend for 1 year, through fiscal year 1983, VA authority to provide certain contract health care to eligible non-service-connected veterans in Puerto Rico, the Virgin Islands, and other United States territories and possessions.

12. Extend for 4 years, through fiscal year 1986, the authorization of appropriations for matching-fund grants to States for construction and renovation of State veterans' home health-care facilities.

13. Extend for 1 year, until March 31, 1984, the date by which VA must report to the Committees on Veterans' Affairs of the House of Representatives and the Senate on the first 3 years' results of the pilot program authorized by section 620A of title 38, for treatment and rehabilitation of alcohol or drug dependencies.

DISCUSSION

VA Nursing Provisions

Background

In August 1980, the Congress enacted legislation—the Veterans' Administration Health Care Amendments of 1980, Public Law 96–330—which contained many important provisions designed to improve the VA's ability to recruit and retain high quality health-care personnel. This legislation was developed in response to serious difficulties the VA health-care system was facing in staffing its many facilities, thus limiting the system's ability to provide quality care to eligible veterans.

The Committee is particularly pleased to note that Public Law 96–330 continues to have a very salutary effect on the agency's health-care staffing efforts. However, it lacks certain elements to aid in the much needed recruitment and retention of nursing personnel. The Committee bill represents the Committee's efforts to build upon the gains made by that legislation by authorizing several new provisions and expanding on certain elements of the initial legislation focusing mainly on what the Committee believes to be additional needs regarding VA nurses.

Various provisions in Public Law 96–330 were designed as improvements for all categories of health-care personnel working in the VA's Department of Medicine and Surgery. The area of greatest concern at that time was the agency's ability to employ an adequate number of qualified physicians, and for that reason, much of Public Law 96–330 was directed at matters related to the recruitment and retention of physicians. Since that time, in large part because of the provisions in Public Law 96–330, the VA has been successful in providing attractive career options for physicians, and the agency's record in that area has improved significantly. However, during the same period the agency has been less successful in attracting and retaining registered nurses (RN's).

The Committee's hearing on April 21, 1982, addressed VA health-care nursing personnel recruitment and retention issues. Numerous witnesses, including Dr. D. Earl Brown, Associate Deputy Chief Medical Director of the VA, who was accompanied by Donna Humes, Deputy Director of the Nursing Service; Barbara Chambers, President of the Nursing Organization of the VA (NOVA); James Magill, representing the Veterans of Foreign Wars; and John Sommer, Jr., representing The American Legion, appeared before the Committee to discuss the current RN shortages in the VA health-care system, and gave suggestions of ways to alleviate the problem so that the VA system could become more competitive with the private sector in the recruitment and retention of qualified RN's.

The VA testified that, since the enactment of the Public Law 96–330, between September 1980 and August 1982, the number of RN vacancies in the VA system has increased by 327. The total number of RN vacancies in the VA system has now risen to 1,268.

The Committee notes that in the same time period, since the enactment of Public Law 96–330, the numbers of Licensed Practical Nurses (LPN) and Nursing Assistants working in the VA have increased. LPN vacancies have decreased by 1,774.4, and there are currently 800 Nursing Assistants above desired personnel ceilings throughout the VA health-care system.

At the written requests of both the Committee Chairman, Senator Simpson, and the Ranking Minority Member, Senator Cranston, the VA provided written responses and background information to the Committee about the current RN shortages in the VA health-care system, and the need for expanded recruitment and retention incentives for RN's within the VA system.

A total of 938 VA health-care beds are closed as a direct result of the nursing shortage. The 938 figure includes 77 acute-care beds and 66 Intensive-Care-Unit (ICU) beds. The largest number of bed closings is in the Great Lakes Region, with 270 closed, followed by 162 in the Midwestern Region. A minimum of 430 RN's are needed to reopen all of the presently closed VA beds.

The VA reported to the Committee that 20 VA medical center's (VAMC's) report more than 20 RN vacancies, with 8 hospitals citing more than 35 RN vacancies. Of the 853 RN vacancies reported in the March 15, 1982, VA Recruitment Bulletin, 129 or 15.12 percent were for ICU nurses. The VA also provided, for the April 21, 1982, hearing record, the number of nurse vacancies and turnover rate at each VAMC. The VA was unable to provide, to the Committee, data on the average period of time required to fill a nurse vacancy at each VAMC.

The VA health-care system's RN–to–patient ratio has not improved since the enactment of Public Law 96–330. In December 1980, the VA

RN-to-patient ratio was 1 RN to every 2.5 patients. The current VA ratio is 1 RN to every 2.7 patients, whereas nationwide data from the 1979 American Hospital Association Annual Survey revealed a ratio of 1 RN to every 1.6 patients in non-Federal hospitals.

Barbara Chambers, President of NOVA, provided her views on the VA nursing shortage, in written response to a question submitted by Senator Simpson during the April 21, 1981, hearing:

> I strongly believe that the Veterans' Administration is in a crisis stage in the recruitment and retention of nurses. The reason for this is that the private sector, because of the shortage, is quick to respond to the needs of individual nurses in providing additional benefits and salary ranges much more quickly than that of the VA, who must do things through the legislative and/or regulatory process.

John Sommer, of The American Legion, in his testimony before the Committee on April 21, 1982, discussed the VA's RN shortage, and the problems the VA has as it competes with the private sector for available, qualified nurses. Excerpts from John Sommers' testimony follow:

> The recruitment and retention of registered nurses in the VA has become increasingly difficult because levels of compensation have been inadequate in comparison with what is being offered in the private sector . . .
>
> We are aware that the VA recruitment and retention efforts for nursing personnel have been intensified, and The American Legion is supportive of these positive undertakings. However, the fact remains that hospitals in the private sector enjoy a freedom from the limitations and restrictions that constrain the Veterans' Administration's recruitment and retention activities, and therefore have a substantially greater capability in offering fringe benefits and other inducements to attract nurses.
>
> The enactment of legislation to authorize the Administrator to provide flexible work schedules for VA nurses would significantly increase the Department of Medicine and Surgery's ability to compete with the private sector in attracting and retaining nurses.

Though the numbers of LPN's and Nursing Assistants working in the VA have increased since the enactment of Public Law 96–330, the Committee has thus become very aware that further expansion of the law to provide additional flexibility to the VA Administrator to implement competitive RN recruitment and retention measures would be necessary. The Committee believes that the continuing increase in RN vacancies, since the enactment of Public Law 96–330 has demonstrated that further steps are needed to be taken, and prompted the development of the provisions in sections 2 and 3 of the Committee bill.

Expansion of VA Health Professional Scholarship Program

Section 2 of the Committee bill, which is derived from S. 2385 and section 3 of S. 2389, would amend the VA Health Professional Scholarship Program, to authorize VA employees to participate in the Scholarship Program on a part-time basis, and to provide that funds appropriated for the Program in any given year would remain available until expended.

Section 4141, of title 38, United States Code, enacted as part of Public Law 96–330, authorized the VA Health Professional Scholarship Program, to help improve the VA's ability to adequately staff its health-care facilities with qualified personnel. The Scholarship Program had many provisions, which would:

> First, authorize the VA to provide scholarships to students enrolled in physician or nursing training and to students enrolled in professional training in the other five health-care disciplines under the title 38 personnel system, as necessary to meet staffing needs in the Veterans' Administration, in exchange for the student's obligation to serve as a full-time employee in DM&S for a specified period of time.
>
> Second, allow a program participant to defer serving his or her obligated service while receiving graduate medical education, with such deferral possibly conditioned on accruing additional obligated service.
>
> Third, provide a scheme by which damages could be collected in the event a program participant breached his or her contract to serve in the VA.
>
> Fourth, establish an amount for a monthly stipend that would be paid to program participants together with a basis to adjust such stipend as required to meet cost-of-living increases.
>
> Fifth, specify that any program participant may not be obligated for service to the Federal Government under any other program.
>
> Sixth, limit the amount of special pay a program graduate would be eligible to receive during the period of obligated employment.
>
> Seventh, require the Administrator to report within 180 days of the date of enactment of the act on the status of steps taken to implement the scholarship program.
>
> Eighth, require the Administrator to report annually on the scholarship program.

Though the Scholarship Program was authorized for use by the VA for both physicians and nurses, it has been implemented, thus far, only for nurses, to aid in the recruitment and retention of RN's in the VA health-care system.

Section 2 of the Committee bill, derived from S. 2385 as introduced and section 8 of S. 2389 would amend section 4142 of title 38, United States Code, to authorize VA employees to participate in the Scholarship Program on a part-time basis while continuing to work within the VA health-care system. It is the Committee's view that it would be appropriate for these participants to be, for the most part, VA employed RN's, who would continue to work in the VA while attending an advanced training program, on a part-time basis, to upgrade their educational qualifications. This provision is designed especially to retain current VA employed nurses who may not be able to afford to go to school on a full-time basis. Public Law 96–330 authorized scholarship awards to participants who would attend school on a full-time basis only.

It is the Committee's intent that the new Scholarship Program's part-time participants, who would receive VA assistance, complete their education in a timely manner. This intent is reflected by the provision, in the Committee bill, which would require that participants in the program attend school on at least a half-time basis. In addition the Committee bill would limit the length of time a participant may receive support to no more than 4 years, except in specific instances when the Administrator determines that it would be in the best interest of the United States to waive this limit, in which case a further extension of up to 2 years would be allowed. The Committee designed this provision for those students who may have more than 2 years of education to complete for a baccalaureate degree, such as LPN's, who cannot afford to stop working and attend school on a full-time basis. The Committee wishes to emphasize its strong support for the implementation by the VA, in order to enhance its nursing personnel situation, of a variety of approaches that could be tailored to meet the individual needs of VA nursing personnel who wish to further their education while remaining employed by the VA.

Tuition reimbursement for full-time VA employees

Section 2 of the Committee bill would also clarify that the Administrator has the flexibility to determine the Health Professional Scholarship stipend amount for individual participants. The Committee intends this provision to enable the VA to provide a form of "tuition reimbursement" for those VA employed nurses who would decide, for example, to attend school on a part-time basis, but who would choose to continue to work full time. The Committee bill would allow these nurses to have the advantage of receiving tuition assistance of the Health Professional Scholarship Program, but would allow their stipends to be limited to no more than a nominal amount.

The Committee bill would provide that part-time Scholarship Program participants would have obligated service requirements to the VA, that would be adjusted according to the fraction of full-time study they pursue and the length of time that they are provided with scholarship support.

The Committee believes that the original service obligation requirement, provided for under the Health Professional Scholarship Program authorized by Public Law 96–330, is an essential element for the success of the Scholarship Program. Part-time participants would, under the provisions of the Committee bill, have a VA service obligation of 1 year for each year of full-time-equivalent study with scholarship support, except that in no case would the service obligation be less than 1 year.

For example, a VA employed nurse, who attended school on a half-time basis for 4 years, with VA scholarship support, in order to receive a baccalaureate degree, would be required upon graduation to fulfill a 2-year full-time-equivalent service obligation to the VA health-care system.

One purpose of this "pay back" is to integrate well-trained nurses into the VA health-care system. During the service obligation period, the Committee would expect that many would choose to remain in the VA, and therefore improve the retention of highly qualified nurses. Both the expansions of the Scholarship Program, to include VA employees on a part-time basis and to provide a form of tuition reimbursement, for full-time VA employees, should be strong retention measures for those nurses currently employed by the VA. It is the Committee's desire that this new authority would demonstrate the VA's recognition of, and gratitude for, their service in the VA health-care system.

It is also the Committee's intent that these provisions would make the VA health-care system a more competitive option for those nurses returning to the work force after a period of absence. Barbara Chambers, RN, President of NOVA, testified at the Committee hearing, April 21, 1982, about the increasing number of RN's who have returned to the work force because of recent declining economic conditions. Many of these nurses have family and financial responsibilities that would otherwise prohibit them from advancing their education on a full-time basis. These nurses often seek employment in the private sector, rather than the VA, because community hospitals, in many instances, already provide these part-time educational benefits.

In the Committee's view, expansion of the VA Scholarship Program would also make the VA especially attractive to "diploma" nurses, those without a baccalaureate degree, who would be eligible for this expanded training option.

Therefore, it is the Committee's expectation that this expansion of the Scholarship Program would fit the needs of those new RN's, as they choose the VA as a place to work, and would have the additional impact of improving the VA's overall retention rate of RN's, as those training under this authority would complete the required service obligation and then continue to work in the VA health-care system, better serving the many veterans in the VA hospitals who benefit from experienced, well-trained, dedicated nurses.

Expansion of Health Professional Scholarship Program to provide that funds appropriated be available until expended

Section 2 of the Committee bill would also amend section 4146 of title 38, United States Code, so that funds appropriated in any given year for the Scholarship Program would remain available until expended. This provision would enable the VA to enter into multi-year scholarship commitments to Program participants and should make the Program more attractive to prospective applicants, who would be more assured that commitments made to them by the VA, for a given length of time, would be fulfilled accordingly. Therefore the program could be more useful for the VA's nursing recruitment and retention efforts.

Present section 4146 authorizes the Administrator to make payments for the Scholarship Program, to the extent that funds are available within any fiscal year, therefore, committing the VA to operate on a year-to-year appropriation basis.

The Health Professional Scholarship Program received a fiscal year 1982 appropriation of $1 million, but the Administration has not requested any fiscal year 1983 funding for this program. Section 2 of the Committee bill would thus authorize the VA to implement the Scholarship Program for school year 1982–83, and enter into multiyear commitments with those chosen participants.

Provisions to enhance recruitment and retention of VA nurses

Section 3 of the Committee bill, derived from section 7 of S. 2389, contains several provisions, that are designed to provide new discretionary authorities for the Administrator to enhance the VA's ability to recruit and retain sufficient nursing personnel.

These new authorities should prove to be especially beneficial in the recruitment and retention of nurses in those areas where community facilities currently provide appealing benefit packages designed to attract personnel for work on shifts and days that are particularly difficult to staff.

Section 3 of the Committee bill contains three provisions that would extend the Administrator's authority to modify pay and working hours, as determined to be necessary, in certain geographic locations. The Committee intends that, under the provisions of section 3 of the Committee bill, the Administrator would be able, at the Administrator's discretion, to implement any or a combination of the recruitment methods described below, in those VA facilities with the greatest need, and to the degree necessary and for as long as needed, to compete with local private sector facilities in order to attain the recruiting goals of a particular VA Medical Center, and achieve desirable nursing staffing patterns. The Committee intends this increased flexibility to be a valuable management initiative to respond to nursing recruitment and retention problems in areas of need and in a manner that will be most cost-effective and efficient, and strongly urges the Administrator to make use of these added authorities whenever necessary, in the most appropriate combination.

The first provision relates to the rates of additional pay for nursing personnel who work outside of the regular workday or week. This provision would authorize the Administrator, when necessary to obtain or retain the services of registered nurses in the Department of Medicine and Surgery, to pay the additional pay rate currently authorized for a tour of duty beginning or ending on a Sunday—a rate equal to 25 percent of the nurses' basic pay—for part or all of a tour of duty that begins or ends on a Saturday.

In addition, the Committee bill would provide the Administrator with greater flexibility in the use of the existing section 4107(e)(10) authority (provided in Public Law 96–330) to increase the rates of additional pay for night, weekend, holiday, and overtime work as necessary for the purposes of recruitment and retention. The Administrator would be authorized to provide increased additional pay on a national, local or other geographic basis, if the Administrator determines, based on a representative sampling of non-VA facilities in the area involved, that the use of the authority is needed. Under current law, the Administrator may use this authority only on a facility-by-facility basis and must, in each case, find that increased additional pay at the particular VA facility is necessary for it to be competitive with non-Federal facilities in the same geographic area—that finding to be based on a sampling of those non-Federal facilities.

This provision further enhances the Administrator's authority to (1) provide pay competitive with, but not exceeding the same type of pay received by the same category of health-care personnel at non-Federal health-care facilities in the same labor market, (2) achieve adequate staffing at particular VA facilities, and/or (3) recruit personnel with specialized skills, especially those with skills which are especially difficult and demanding, such as individuals who provide specialized services to patients with spinal cord injuries. Utilizing the authority proposed in the Committee bill, the Administrator would be able to adjust the particular additional pay rating, thereby targeting the agency's effort on the area of need without making increases in geographic areas where there is not a similar need. The Committee, in including these provisions in the Committee bill, wishes to make clear that they are to be used at the discretion of the Administrator, and are not mandatory. The Committee expects that they will be implemented in various combinations, taking local needs into consideration.

In recent years, the number of beds in recovery rooms, intensive care units and other specialty units such as organ transplant and cardiac monitoring units have expanded dramatically compared with the number of beds in general medical/surgical units. The American Nurses' Association reports that in 1972, there were 28,964 beds in intensive care units; by 1981 there were 44,230 beds. It is the Committee's understanding that, in the private sector, it is the new graduates and young nurses who choose intensive care nursing, which in many cases offers innovative time schedules such as compressed workweeks.

The VA, utilizing the authority in section 4107(e)(5) of title 38, United States Code, currently permits compensatory time off for nurses in order to provide flexibility in establishing regular and irregular tours of duty. Although utilization of this authority has been helpful, it has created scheduling and timekeeping problems because of the limitations of the current law. The Committee believes that authority enabling VA to implement compressed workweeks for nurses in a manner similar to the compressed workweek regulations developed by the Office of Personnel Management (OPM) would alleviate many of these problems. The Committee considers compressed workweek authority under law to be essential to providing improved nurse coverage for patient care and to reduce the administrative complexities experienced in use of the compensatory time mechanism. In implementing compressed workweeks, the Committee intends for VA to followup to the extent applicable to the regulations developed by OPM in implementing compressed workweeks under Public Law 95-390.

In response to a written question submitted to the VA by Senator Simpson, concerning the cost of further utilizing the compressed workweek in the VA health-care system, the VA stated:

> Under compressed workweek, the cost involved and the impact on FTEE would be negligible since the employee works 80 hours, is paid for 80 hours, and no overtime is paid for the hours worked beyond 8 hours in any day . . .
>
> The VA does not foresee major problems in the administration of the compressed workweek.

Another component of the provisions in section 3 of the Committee bill, to increase the Administrator's flexibility to obtain or retain nurses in the Department of Medicine and Surgery, is the authority provided that would allow nurses at individual VA facilities to work two 12-hour tours of duty during the weekend and have such service be considered a full 40-hour workweek—thereby providing full-time employee fringe benefit status for such important purposes as health insurance and retirement eligibility. In many communities this kind of work schedule, the so-called "Baylor Plan", is available and has been highly attractive to nurses. Many private sector facilities which utilize the "Baylor Plan" are now able to guarantee every or every other weekend off to full-time nursing personnel, because the weekend shifts are fully staffed. Currently, many VA nurses work two, three, or four weekends per month, because of the difficulties the system has in staffing the adequate number of RN's necessary for weekend duty.

Although the VA witnesses indicated that the agency did not support this provision, the Committee strongly believes that the VA should have this authority available for use, if it becomes necessary, in order to remain competitive with the local labor market practices when essential for recruitment and retention purposes. The Committee also believes in the judicious application of this authority after a review of community practices. The VA testified that the authority to establish two regularly scheduled 12-hour tours of duty between midnight Friday and midnight Sunday which would equate to a full 40-hour administrative workweek would not be necessary in all facilities. Therefore, the broadest possible flexibility is intended.

The Committee is aware that the "Baylor Plan" is a relatively expensive nursing recruitment tool. The VA provided its own written cost estimates, at the request of Senator Simpson during the April 21, 1982 hearing, on the implementation of the "Baylor Plan" in VA health-care facilities.

> Under the "Baylor Plan", the employee works 24 hours but is paid for 40 hours. To introduce the "Baylor Plan" in a facility and maintain the same number of nursing care hours per patient day, there would need to be an 8-percent increase in nursing FTEE. In the 15 VA facilities competing with community facilities offering the "Baylor Plan", it is estimated that an additional 200 RN FTEE would be needed at an estimated cost of 4.4 million dollars.

Given the high cost of the use of the "Baylor Plan", the Committee recommends that the Administrator use his authority, provided by the Committee bill, only in the specific locations where the need is clear and where use of the compressed workweek would not be sufficient incentive for enough nurses to choose to work for the VA health-care system. Local community practices related to the "Baylor Plan" option vary extensively from actual pay for actual time worked to the pure "Baylor Plan" (40 hours pay and full-time benefits for two 12-hour tours worked on Saturday and Sunday). Therefore, in considering whether to implement this provision, the Committee intends that the VA would not exceed comparable plans in the community.

The Committee also recommends that, in those certain locations where the Administrator would determine that the "Baylor Plan" should be implemented, the nurses already employed by the VA should be given the first chance to decide whether or not to participate in the plan. The Committee believes that offering this choice to VA nurses would demonstrate the agency's appreciation of service in the VA health-care system, and become an added retention incentive.

Fee-Basis Outpatient Care to Female Veterans for Gender-Related Conditions

Clause (1) of section 4 of the Committee bill, which is derived from section 2 of S. 2389, would authorize the Administrator to provide certain outpatient care on a fee-for-service basis, including pre- or post-hospitalization care and care necessary to obviate the need for hospitalization, for the non-service-connected disability of a woman veteran when the VA is unable to provide appropriate care for her gender-related disability. This provision should insure that, in those cases in which a woman veteran is otherwise eligible for basic VA ambulatory care but cannot receive the care because the VA is unable to treat her gender-specific condition, the VA will be able to furnish care through a contract or fee arrangement with another provider.

The Committee intends that the medical care under this provision be authorized by the appropriate VA clinic of jurisdiction subject to the basic requirements for any fee-basis medical care, namely that VA and any other Government facilities lack the capability to provide such care or to provide it economically because of geographical inaccessibility.

The Committee recognizes that the VA is not currently equipped to provide certain gynecological and other specialized services that only women require. Though currently the demand for this type of health care in the VA is not significant, the Committee believes that those women veterans who require such services should be able to receive them. The Committee believes it is important that these few eligible female veterans receive the appropriate quality health care that they require for their gender-related ailments, just as male veterans can already receive necessary health care for all their ailments within the VA system. The estimated cost for this new fee-basis health care would be insignificant.

Amending VA's contract authority in no way enlarges VA's basic authority to provide health-care services in its facilities for the treatment of veterans' disabilities. This new authority is likely to facilitate provision of care to female veterans where VA medical facilities are geographically distant or when VA medical facilities do not have attendings or consultants with specialties in female medical problems. Larger VA medical facilities may find it necessary to reevaluate their medical clinics and expand or establish specific medical clinics for female veterans and their unique medical problems. Assuming the number of female veterans increases as anticipated, fee-basis expenditures for specialized (i.e., mammography) and gynecological services could increase dramatically in future years.

A March 1982, VA Statistical Brief, entitled "The Female Veteran Population: An Overview of Its Growth in the Last Decade", indicated that the growing number of female veterans need to be considered as the VA formulates future health-care policy. The report stated that, while the number of male veterans has declined recently, the female veteran population is growing rapidly. In the past 5 years the number of female veterans has increased by 26 percent. The report predicts that the female veteran population will maintain a course of steady growth.

The study points out that:

> . . . as the estimated count of female veterans rises in the years to come, an increasingly vital aspect of the VA's mission will be the special consideration given to the problems of this group of former military personnel with respect to the administration of various types of veteran programs, such as medical care, counselling, loan guaranty, and education.

The Committee bill does not amend the basic eligibility provisions for VA health care in sections 610 and 612 of title 38. In this regard, the Committee is aware of the pending litigation in the case of *Kirkhuff* v. *Nimmo* (originally *Kirkhuff* v. *Cleland*), decided by the United States District Court for the District of Columbia and now on appeal to the United States Court of Appeals for the District of Columbia Circuit. In that case, a female veteran is challenging a VA regulation (38 CFR 17.48(e)) barring VA hospital benefits for routine pregnancy and childbirth. The Committee, by including this provision in the Committee bill, does not intend to express any view on the validity of the regulation in question.

Extension of Authority to Provide Certain Contract Hospital Care and Medical Services in Puerto Rico, the Virgin Islands, and Other Territories and Possessions of the United States

Under section 601(4)(C)(v) of title 38, United States Code (as most recently amended by Public Law 97–72, the Veterans' Health Care, Training, and Small Business Loan Act of 1981) in conjunction with sections 610(a) and 612(b) of title 38, United States Code, the VA has the authority to provide, through contracts with private facilities, hospital care and such medical services as would obviate the need for hospital care for the treatment of non-service-connected conditions of veterans in any State, Territory, Commonwealth, or possession of the United States not contiguous to the 48 contiguous States. In Public Law 95–520, the Veterans' Administration Programs Extension Act of 1978, this authority was made permanent with respect to Alaska and Hawaii and, for other locations, to expire on December 31, 1981. In Public Law 97–72, this authority with respect to the Commonwealth of Puerto Rico, the Virgin Islands, and other Territories and possessions of the United States was extended by 9 months, from December 31, 1981, until September 30, 1982. Provision of care and services under this authority is conditioned on the requirement that the annually-determined patient load and the incidence of the provision of medical services for veterans hospitalized and treated by the VA in each such State, Territory, Commonwealth, or possession be consistent with the level of such care and services provided within the 48 contiguous States. However, with respect to contract hospital care and medical services which may be furnished in Puerto Rico and the Virgin Islands, the Administrator is authorized to waive this requirement until the current expiration date for the general authority.

At the time the Congress was considering the legislation that was ultimately enacted as Public Law 95–520, the General Accounting Office had recently completed a report on the VA's use of its then-existing contract authority to provide non-service-connected care in Puerto Rico and the Virgin Islands. In this GAO report, which is discussed in more detail in the Committee's report accompanying H.R. 5029 (S. Rept. No. 95–825), the GAO concluded that "a comprehensive assessment is needed of the health-care needs of servants in Puerto Rico and the Virgin Islands." In response to this recommendation, the Congress directed the VA to conduct such a study and submit a report to the Congress and the President not later than February 1, 1980. Last Congress, in Public Law 96–330, the deadline for this report was extended until February 1, 1981, and, on March 10, 1981, the report was submitted to the Congress.

The VA report found generally that the male population of Puerto Rico and the Virgin Islands has a somewhat poorer state of health than the male population of the United States and that the availability of non-VA medical resources in both locations is very limited. In addition, the report noted that the percentage of service-connected disabled veterans is higher in the Puerto Rico and Virgin Islands veteran population than in the U.S. veteran population. Based on all of the findings of the study, the contractor who actually conducted the study for the VA concluded that there is a gap between the demand for health-care services from both Puerto Rico and Virgin Islands veterans and the available supply of such services and that this gap is widening at a rate of approximately 2 percent each year.

In order to address the problems raised in the report, the VA developed a series of options, including four options for inpatient hospital care, six options for outpatient care and five options for nursing home care. The inpatient care options ranged from expanding the San Juan VA Medical Center to 1,037 beds (in order to end contract psychiatric care) to reducing the VAMC to 492 beds from the current level of 692 beds. Outpatient care options ranged from increasing the number of visits to 401,300 to decreasing the number of visits to 112,957. The nursing home patient care options ranged from the VA constructing all 144 beds deemed necessary to the VA constructing various numbers of beds and contracting for the remainder.

So that the Committee and the Congress could have sufficient time to weigh these various options and select the most appropriate course for meeting the health-care needs of veterans in these locations, the contract non-service-connected care authority was extended by Public Law 97–72, for 9 months, until September 30, 1982. Because of the complex nature of the potential impact of the various options, section 4 of the Committee bill, which is derived from S. 2384 and section 2 of S. 2398, would further extend the expiration of this authority for an additional year, until September 30, 1983.

Extension of CHAMPVA Eligibility

Section 5 of the Committee bill would amend section 613 of title 38, United States Code, to provide for the restoration, under certain circumstances, of health-care eligibility through the VA's CHAMPVA program to those who are served by that program—the spouse or dependent child of a veteran who has a permanent and total service-connected disability; the surviving spouse or child of a veteran who died as the result of a service-connected disability, or who, at the time of death, had a permanent and total service-connected disability; or the surviving spouse or child of a person who died in the line of duty while serving on active duty. Thus, in the case of a CHAMPVA beneficiary who loses CHAMPVA eligibility by virtue of becoming eligible for hospital insurance benefits under Part A of title XVIII of the Social Security Act (Medicare) and then exhausts any particular category or all of his or her Medicare coverage, he or she would at that point become eligible again for medical care under CHAMPVA.

Section 103(b) of Public Law 93–82, the Veterans Health Care Expansion Act of 1973 (which added present section 613 to title 38), authorized the VA to provide the dependents and survivors of certain service-connected disabled veterans (described in the preceding paragraph) with generally the same health-care benefits—essentially reimbursement for care furnished by private providers—as certain dependents and survivors of active duty and retired military personnel have under the Department of Defense Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) program established under chapter 55 of title 10, United States Code. This authority is carried out through the Civilian Health and Medical Program of the Veterans' Administration (CHAMPVA), which provides the same health-care benefits as CHAMPUS, and, pursuant to an agreement between the Veterans' Administration and the Department of Defense, CHAMPVA claims processing is carried out under the jurisdiction of the Office of CHAMPUS within the Department of Defense.

Under current law (the second sentence of section 1086(e) of title 10), CHAMPUS beneficiaries lose their CHAMPUS eligibility—and, by extension, CHAMPVA beneficiaries lose their eligibility under CHAMPVA—when they become eligible for Medicare benefits. In recent years, the Committee has become aware of cases in which CHAMPVA beneficiaries, after becoming eligible for Medicare benefits, have exhausted their Medicare benefits—either their benefits for a particular year or their lifetime benefits—leaving them with no Federal coverage at all or no coverage for certain types of health care. It is the Committee's strongly held view that the individuals involved—the dependents and survivors of service-connected severely disabled veterans—are particularly deserving of assured Federal health-care assistance and should not be subjected to the interruption or termination of such assistance that can occur when they obtain Medicare eligibility. Thus, the provision in the Committee bill would restore their CHAMPVA eligibility whenever they exhaust a Medicare benefit.

In the course of developing this provision, the Committee recognized that eligibility for some Medicare benefits can be restored following the elapse of a specified period of time (for example, inpatient hospital care eligibility is limited to 90 days in a benefit period—"spell of illness"--but is restored after a beneficiary has been out of a hospital for a period of 60 days). Thus, providing a basis for restoration of CHAMPVA benefits as proposed in the Committee bill could lead to a situation in which an individual would have both Medicare and CHAMPVA benefits available for a single episode of care. This could lead to a health-care provider receiving double payment.

Although the provision in the Committee bill would amend title 38 to establish a basis for an individual to regain CHAMPVA eligibility, this provision alone would not prevent the problem of double payment from arising. Thus, the Chairman and Ranking Minority Member of the Committee, in a May 26, 1982, letter (reprinted below) to the Chairman and Ranking Minority Member of the Senate Finance Committee, advised them of this provision in the Committee bill and, to the extent they believed that the potential double payment problem was significant, solicited their suggestions or advice for Veterans' Affairs Committee action as well as consideration of the need for Finance Committee action. Should any further action on this issue be indicated, the Chairman and Ranking Minority Member of this Committee are prepared to take such steps as might be appropriate.

ALAN K. SIMPSON, WYO., CHAIRMAN
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United States Senate
COMMITTEE ON VETERANS' AFFAIRS
WASHINGTON, D.C. 20510

May 27, 1982

Honorable Bob Dole
Chairman
Honorable Russell B. Long
Ranking Minority Member
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Bob and Russell:

The Veterans' Affairs Committee on April 28, 1982, ordered reported S. 2385, the proposed "Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982". Included as section 5 of this bill is a provision that would modify eligibility for the VA's CHAMPVA program, a program providing eligibility for health care for spouses, dependents, and survivors of certain service-connected most seriously disabled veterans which is very similar to DoD's CHAMPUS program. Under section 5, when a CHAMPVA-eligible individual loses coverage under that program by virtue of the application of 10 U.S.C. 1086 (through 38 U.S.C. 613(b)), which removes CHAMPVA eligibility when that individual becomes eligible for Medicare, that individual would regain CHAMPVA eligibility permanently after exhausting any part of Medicare benefits. The Committee has adopted this provision because of a belief that those eligible for CHAMPVA benefits constitute a population particularly deserving of Federal protection and should not be left without any health-care coverage. A copy of the provision and a brief explanation of it are enclosed.

In the course of developing this legislation, it became apparent to the Committee that, by allowing an individual to regain CHAMPVA eligibility while allowing that individual to continue to be eligible for Medicare benefits might make it possible for a health-care provider to receive dual payments -- being paid both by CHAMPVA and Medicare -- for a single episode of care. Our staffs have discussed this concern with Finance Committee majority and minority staff members. To the extent that you believe that enactment of this provision might create this or other problems, we would appreciate any suggestions or advice that you might have for our action, either through legislation or in our oversight capacity, to avoid such problems, as well as your consideration of the need for any action in your Committee as to the Medicare program.

We look forward to your views on this issue and to yorking with you should you believe any action is appropriate.

Sincerely,

Al
ALAN K. SIMPSON
Chairman

Alan
ALAN CRANSTON
Ranking Minority Member

Enclosures

Extension of Alcohol or Drug Pilot Program Reporting Date

Treatment and rehabilitation programs

Section 104 of Public Law 96–22, the Veterans' Health Care Amendments of 1979, authorized the Administrator to conduct a 5-year pilot program under which the VA could contract for care, treatment, and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community based treatment facilities for eligible veterans who are suffering from alcohol or drug dependence or abuse disabilities. The program was designed so as to demonstrate any medical advantages and cost-effectiveness of care in such contract facilities as compared to facilities over which the VA has direct jurisdiction.

The Committee recognized the value of offering different modes of treatment so that treatment may be tailored to an individual's special needs and circumstances so as to enhance his or her chances of recovery. Although inpatient treatment such as that routinely provided by the VA is essential in certain cases, there are many cases in which alternative types of care, such as halfway-house care, would be more effective, less restrictive, and far less costly.

Thus, the Committee urged the VA in Report No. 96–100, to accompany S. 7, the Veterans' Health Care Amendments of 1979, to contract with a broad range of facilities to demonstrate the comparative effectiveness of treatment and rehabilitation in different community-based settings. In addition to halfway houses, therapeutic communities, and psychiatric residential treatment centers, which are specifically mentioned as eligible contract facilities in section 104 of Public Law 96–22, the VA was authorized to contract with a variety of other community-based facilities which are capable of providing care and treatment and rehabilitation services to veterans with alcohol or drug dependence or abuse disabilities in the geographic vicinity of the veteran's usual residence. These included, for example, residential facilities such as alcoholism hospitals and alcoholism facilities operated by general hospitals. The VA was not, however, authorized by Public Law 96–22 to contract for care in a hospital or other facility that is remote from the veteran's community.

Eligible contract facilities also included nonresidential treatment facilities, including health maintenance organizations, offering outpatient care or day-care programs. The inclusion of nonresidential treatment settings in this pilot program was especially important in light of the facts that most of the treatment for alcohol and drug abuse in the United States is provided in nonresidential settings and that treatment in such settings is much less costly than that offered in residence. In addition, nonresidential treatment enables an individual to receive treatment while seeking or maintaining employment and striving to be an active member of the community in which he or she resides or works. As was discussed in the Committee's 1979 report employment is an absolutely critical problem for addicted veterans.

Substantial discussion concerning the legislative history and Committee's views of these treatment and rehabilitation programs can be found on pages 34–39 of Senate Report No. 96–100 to accompany S. 7, the Veterans' Health Care Amendments of 1979.

Reporting Requirement

To help assure that Congress would have adequate information to assess the value of the pilot program authorized by Public Law 96–22 for purposes of considering an extension of the program, section 104 required the Administrator to report to Congress, not later than March 31, 1983, on the findings and recommendations pertaining to the first 3 years of operation of the program. The Committee intended that the report would include a thorough assessment of the medical advantages, success rates, and cost-effectiveness of each of the various treatment settings employed in this program and comparisons with alcohol and drug programs directly operated by the VA.

Section 6 of the Committee bill, which is derived from section 2 of S. 2383 and section 5 of S. 2389, would extend by 1 year the program's period of operation to be taken into consideration when the VA prepares the report on the drug and alcohol dependence contract program, by extending the report deadlines for 1 year, until March 31, 1984.

In the Veterans' Administration's March 17, 1982, transmittal letter to the Senate, the Administrator submitted draft legislation that would extend the VA's March 31, 1983, report deadline for 1 year, until March 31, 1984. The Administrator justified the 1 year extension in the transmittal letter to the Committee:

> The Administrator is required to report to the Veterans' Affairs Committee of the Senate and House of Representatives by March 31, 1983, on the findings and recommendations regarding the operation of the pilot program through September 30, 1982. This report will only analyze the first two fiscal years of the five fiscal years authorized for the pilot program. Thus, the reporting date of March 31, 1983, will prevent consideration in the report of operational data from the remainder of the pilot period. In addition, the first fiscal year of the pilot program to be reported on will not involve contracts with the full range of facilities permitted by section 104. In fiscal year 1981, the VA contracted only with community-operated halfway houses which provide residential care for several months. During fiscal year 1982, however, the VA plans to contract with a wider range of facilities including therapeutic communities and outpatient group and individual counseling facilities. By permitting the VA to analyze information gathered during three fiscal years instead of two in its report to the congressional committees, the report's findings and recommendations would be based on longer and more complete experience. Enactment of this provision would not involve any additional cost to the VA because it does not extend the operating or reporting period beyond the originally authorized life of the pilot program.

The Committee agrees with the VA's proposal, and believes that an inclusion of full 3 years of program results in the report is necessary for a more comprehensive review of the pilot program. Therefore, the extension provision is included in the Committee bill.

Technical Amendment to State Veterans' Home Per Diem Payment Authority

The Veterans' Administration's March 17, 1982, transmittal letter to the Senate also included a legislative proposal to:

> . . . amend section 643 of title 38, United States Code, to clarify the VA's authority to pay per diem rates to a State for all veterans receiving care in a State home and not just for veterans "of any war." Section 641 of title 38, United States Code, authorizes the Administrator to reimburse a State at per diem rates for veterans receiving care at a State home if the veterans are eligible for care in a VA facility. Section 643 of that title creates ambiguity, however, in that it retains a reference to a prior limitation on eligibility, the requirement of wartime service. This requirement was eliminated from section 641 by Public Law 94-417 enacted on September 21, 1976. The reference to wartime service in section 643 was overlooked at that time. This amendment would remedy that technical error. No additional cost would arise from enacting this amendment.

The Committee agrees with the Administrator's draft legislative proposal and the technical amendment, which is derived from section 3 of S. 2383 and section 6 of S. 2389, is included as section 7 of the Committee bill.

State Veterans' Homes Programs

Included in title 38, United States Code, are two programs of assistance to State veterans' home extended-care facilities providing care to veterans who are eligible for VA care—a program of per diem payments for care provided to veterans in such facilities and a program of matching grants for the construction, remodeling or renovation of State veterans' homes. The Committee bill, in section 8, would extend the program of matching grants to the States for construction, remodeling, or renovation of State veterans' home hospital, nursing home, and domiciliary care facilities through fiscal year 1986.

Grants for the construction of State homes

The program of assistance to States for the construction, remodeling, and renovation of State home facilities began on August 19, 1964, with the enactment of Public Law 88-450, which authorized annual appropriations of $5 million for the making of State home grants by the Veterans' Administration to pay 50 percent of the costs of constructing new nursing-care facilities, expanding or remodeling buildings for use as nursing-care facilities, and initially equipping such facilities. Public Law 91-178, enacted on December 30, 1969, established a separate grant-assistance program providing 50-percent Federal funding for the remodeling of existing State home hospital and domiciliary care facilities and authorized an annual appropriation of $5 million for such grants. Subsequently, the enactment of Public Law 93-82 on August 2, 1973, raised the maximum amount of VA participation in the construction of individual projects in both the nursing home and the domiciliary and hospital facility programs from 50 percent to 65 percent.

The last substantive amendments to the State home construction authorities were made by Public Law 95–62, enacted on July 5, 1977, which consolidated the two programs into a single grant authority under subchapter III of chapter 81 of title 38 (including authority with respect to construction of State nursing-home-care facilities), increased the annual authorization of appropriations for the consolidated program to $15 million, and increased the aggregate amount of the sums appropriated under the program that any one State could receive in any given fiscal year from 20 percent to one-third. Using this grant authority, the VA, from fiscal year 1966 through fiscal year 1981, has obligated funds in excess of $108 million to 32 States for State home construction grants.

The provision in the Committee bill to extend this authority is based on S. 2383, introduced by Senator Simpson on April 15, 1982, at the request of the Administrator, and section 9 of S. 2389. The Administrator's March 17, 1982, letter of transmittal accompanying the draft bill, which would amend section 5033(a) of title 38, United States Code, requested that the authorization of appropriations for grants to States for the construction, remodeling, or renovation of State home facilities be extended for 4 more fiscal years through fiscal year 1986, at "such sums as may be necessary" annually to carry out the program. The VA provided the following justification for extension of the program:

> The State home program has long been recognized as a high-quality cost-efficient alternative to the provision of extended care in VA facilities. Current VA plans anticipate continued growth in the State home program to help meet the future demand for extended health care by the aging veteran population. It is clear that much needs to be done to prepare for the increasing number of elderly veterans who will require extended care prior to the end of this decade. About a threefold increase in the number of such veterans is foreseen over the next fifteen years. The Administrator is requesting $18 million for the State home program for Fiscal Year 1983.

The Committee shares the view of the VA that much needs to be done to prepare for the rapidly growing numbers of elderly veterans and believes that the State home program represents a proven and cost-effective means of providing care, especially nursing home and domiciliary care, to substantial numbers of elderly veterans and, in some cases, family members of veterans.

Exchange of Medical Information Program

Section 9 of the Committee bill, derived from section 10 of S. 2389 as introduced, would amend section 5054(b) of title 38, United States Code, relating to the permanent program for the exchange of medical information between VA health-care facilities and other health-care facilities in surrounding communities, to expressly include State veterans' home facilities in the phrase "medical community."

The Committee believes that amending section 5054(b), rather than section 5054(a)—as was proposed by the Administrator in draft legislation transmitted to the Senate by a March 17, 1982, letter—would provide that any such exchange of medical information arrangement between the VA and a State veterans' home would include a provision for reimbursement, and it is the Committee's belief that the VA should—to the extent appropriate under section 5054(b)—charge States participating in such exchanges of information since the States would benefit greatly from this availability of added resources through a Federal agency. Any proceeds to the Federal Government resulting from such arrangements should be credited to the applicable Veterans' Administration medical appropriation account.

With further reference to the VA's Exchange of Medical Information efforts, the Committee notes that the agency's authority, in section 5055 of title 38, to make grants to medical schools for the purpose of establishing pilot exchange of information programs expires at the end of the current fiscal year and that the Administration is not proposing any extension of this authority.

The VA, in its testimony before the Committee in the hearing on April 21, 1982, commented on this expiration:

> At the end of this fiscal year, the authorization for appropriations for exchange-of-medical-information grants expires. This authorization to fund pilot programs to facilitate the exchange of medical information between VA facilities and other medical institutions originated with Public Law 89-785, enacted in 1966. The exchange of medical information authority, of which grants are just a part, was intended to help create an environment of academic medicine in VA hospitals, especially those in remote areas. The grants were to be used for such purposes as the employment of personnel, the construction of facilities, and the purchase of equipment to develop and carry out medical information programs.
>
> In the past 15 years, 64 pilot projects, including 17 grants, have been funded. As projects have become operational, continuing support has been provided by other funding sources.
>
> The exchange of medical information program has been successful in the past in helping to create academic links between relatively-remote VA hospitals and major medical centers. Now—15 years after its start—the pilot grant program has essentially accomplished its purpose.
>
> Expiration of this grant authority does not deprive the VA of the authority (under section 5054) to enter into agreements to share medical information. Under section 5054, we have broad authority, separate and apart from the grant authorization, by which VA medical centers could initiate agreements locally to share specialized medical resources. There would appear to be an incentive to engage in such sharing because reimbursements are credited to the medical appropriation. Our challenge is to apply that authority and develop agreements for exchange of medical information services with the surrounding medical community where beneficial.

The Committee accepts this analysis and does not therefore recommend any extension of this authority.

Publishing Regulations for Review and Comment

Section 10 of the Committee bill, derived from section 11 of S. 2389, would require the Administrator, within 90 days after the date of enactment of the Committee bill, to publish in the Federal Register, for a 60-day public review and comment period, proposed regulations for the implementation of the authority provided in section 4107(e)(10) of title 38, United States Code, to increase amounts and, as proposed in section 3 of the Committee bill, to extend periods of additional pay, and, in section 4107(g), to increase rates of basic pay.

Under this section of the Committee bill, the Administrator would be required to publish final regulations, pursuant to which such authorities will be implemented, within 210 days from the date of the enactment of the Committee bill.

It is the Committee's intent, with these provisions, to ensure that the Administrator utilize fully as soon as possible the authority, originally provided in Public Law 96–330 which was enacted in August 1980, and now as proposed to be enhanced in section 3 of the Committee bill, to aid in the recruitment and retention of VA health-care personnel.

Effective Date

Section 11 of the Committee bill would provide that the amendments made by the bill would take effect on the date of enactment, with the exception of the amendment to the CHAMPVA authority proposed to be made by section 5, which would take effect on October 1, 1982.

COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee, based on information supplied by the Congressional Budget Office, estimates that the costs resulting from the enactment of the Committee bill during the first 5 years following enactment would be $11.3 million in fiscal year 1983; $13 million in fiscal year 1984; $17.9 million in fiscal year 1985; $22.8 million in fiscal year 1986; and $24.1 million in fiscal year 1987. A detailed breakdown of the costs, as estimated by CBO, over the 5-year period follows:

CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 12, 1982

1. BILL NUMBER: S. 2385

2. BILL TITLE:

Veterans Administration Health-Care Programs Improvement and Extension Act of 1982.

3. BILL STATUS:

As ordered reported by the Senate Committee on Veterans' Affairs, April 28, 1982.

4. BILL PURPOSE:

To enhance the recruitment and retention of nurses and other health-care personnel in the Veterans Administration (VA), to improve the VA health professional scholarship program, to extend the authorization of certain VA health-care programs, and for other purposes.

5. COST ESTIMATE:

(by fiscal year, in millions of dollars)

	1983	1984	1985	1986	1987
Estimated Authorization Level	31.3	20.9	23.3	25.3	4.2
Estimated Outlays	11.8	13.0	17.9	22.8	24.1

The cost of this bill would fall in budget function 700.

6. BASIS FOR ESTIMATE:

The following section-by-section analysis addresses only those sections that could be expected to have a budgetary impact. Unless stated otherwise, all sections are assumed to take effect on July 1, 1982.

Section 2: This section would modify the requirements of the VA health professional scholarship program to permit scholarships to be awarded for part-time study. Part-time scholarships could only be awarded, however, to individuals who, at the time of application, are employed at a VA medical facility.

According to sources in VA, this amendment would not affect total spending for the scholarship program. VA would instead reallocate to part-time students a certain portion of the scholarship awards currently planned. This section is, therefore, not expected to have a significant budgetary impact.

Section 3: This section would authorize the use by VA of several different plans to provide increased pay and/or more convenient working schedules for nurses in VA medical facilities. Each plan could be utilized on a nationwide, local, or other geographic basis, as determined necessary by the Administrator for the recruitment and retention of nurses. The three plans are:

1. The extension of 25 percent premium pay (authorized under current law only for Sunday shifts) to include Saturday tours of duty.
2. The authorization of flexible and compressed work schedules, as prescribed in regulations pursuant to section 305 of the Federal Employees Flexible and Compressed Work Schedules Act of 1978 (Public Law 95-390). The use of flexible and compressed work schedules would be authorized for any category of health-care personnel when needed for recruitment or retention.
3. The authorization of a plan under which nurses who work two twelve-hour shifts on a weekend would be compensated as if they had worked a full forty-hour work week (Baylor Plan).

In addition, Section 3 would grant the Administrator the flexibility to approve on a geographic basis increases in the rates of additional pay for night, Sunday, holiday and overtime work. Currently, such increases must be approved facility by facility.

(by fiscal year, in millions of dollars)

	1982	1983	1984	1985	1986	1987
Plan 1						
Estimated Authorization Level	*	1.2	1.3	1.3	1.3	1.3
Estimated Oultays	*	1.2	1.3	1.3	1.3	1.3
Plan 2						
Estimated Authorization Level	-1.0	-2.8	-2.7	-2.6	-2.5	-2.5
Estimated Outlays	-1.0	-2.8	-2.7	-2.6	-2.5	-2.5
Plan 3						
Estimated Authorization Level	0.0	0.0	1.3	2.6	3.9	4.0
Estimated Outlays	0.0	0.0	1.3	2.6	3.9	4.0
Geographic Approvals						
Estimated Authorization Level	1.0	2.0	1.5	1.0	*	*
Estimated Outlays	1.0	2.0	1.5	1.0	*	*
Section 3 Total						
Estimated Authorization Level	*	*	1.4	2.3	2.7	2.8
Estimated Outlays	*	*	1.4	2.3	2.7	2.8

*Less than $500,000.

Based on VA information, the above estimate assumes that VA would utilize a mixture of the authorized plans. VA sources indicate that the agency would utilize compressed work schedules (Plan 2) to a far greater extent than the other options. During the experiment with compressed work schedules authorized by P.L. 95-390, VA found the program to be a highly attractive incentive in the recruitment and retention of nurses. In addition, rather than increasing salary costs, the experimental program resulted in a savings, due to a decrease in overtime costs. It was assumed for this estimate that approximately 60 percent of the nursing staff would be included in this plan initially, dropping to 50 percent in the outyears as some facilities begin to implement Plan 3.

VA has identified 15 of their facilities that are located in communities where plan 3, the Baylor Plan, is usually offerred to nurses in non-federal hospitals. Sources within VA have indicated that the agency would probably utilize plan 1, Saturday premium pay, in these facilities at the outset and only resort to the Baylor Plan if plan 1 failed to resolve their recruitment and retention difficulties. The estimate above assumes that the Baylor Plan would be offerred in no facilities in fiscal year 1983, and in 5, 10, 15 and 15 facilities, respectively, in fiscal years 1984, 1985, 1986 and 1987. When fully operational in all 15 facilities, the Baylor Plan is estimated to require additions to the nursing staff of 264 FTEE (full-time equivalent employees).

Saturday premium pay (Plan 1) was assumed to be implemented initially only in the 15 facilities currently competing in Baylor Plan communities. As these facilities begin operating under the Baylor Plan, it was assumed that the use of Saturday premium pay would be switched to other facilities. (It was assumed that Saturday premium pay would not be used in facilities offering the Baylor Plan).

The Administrator of VA has authority under current law to increase any of the additional pay rates (provided for night, Sunday, holiday, and overtime work) on a facility-by-facility basis, as necessary for the recruitment and retention of nurses. While the authorization of approvals for all facilities in a particular geographic or regional area would undoubtedly speed up the approval process, it was assumed that no facilities would be approved for increases as a result of [illegible] amendment that would not have been approved eventually under current law.

The following methodological assumptions were made in connection with the estimates of the provisions of section 3:

- The total registered nursing staff was assumed to be 22,000 in all years.
- Weekend hours were assumed to be staffed at 63 percent of the weekday level.
- Night shifts were assumed to be staffed at 80 percent of the relevant daytime level.
- Based on VA data, the average salary level for a VA nurse was assumed to be $22,073 per annum. Since the salaries of VA medical personnel are established in title 38, U.S.C., nurses salaries were not inflated for federal cost-of-living pay raises but were increased by 1.5 percent a year for merit pay increases.
- Overtime was assumed to be paid for 10 percent of weekend hours and 3 percent of Monday-Friday hours.

Section 4(1): This section would authorize the Administrator to provide outpatient care under contract from private facilities to women veterans with medical conditions related to their gender that cannot be appropriately treated in VA facilities.

Since only 1.6 percent of the veteran patients discharged from VA facilities during fiscal year 1980 were women, it is unlikely that this provision would result in a significant cost.

Section 4(2): This section would also extend for one year the authority of the VA to provide health care by contract in the Commonwealth of Puerto Rico and the Virgin Islands.

(by fiscal year, in millions of dollars)

	1983	1984	1985	1986	1987
Estimated Authorization Level	13.2	0.0	0.0	0.0	0.0
Estimated Outlays	10.6	2.6	0.0	0.0	0.0

The above figures represent the cost estimated by VA of providing contract health care in Puerto Rico and the Virgin Islands. These funds are included in VA's 1983 appropriation request.

Section 5: This provision would reestablish eligibility to the Civilian Health and Medical Program of the Veterans Administration (CHAMPVA) for individuals who lose their eligibility by virtue of becoming entitled to Medicare, but who subsequently exhaust their Medicare benefits. This provision would take effect on October 1, 1982.

(by fiscal year, in millions of dollars)

	1983	1984	1985	1986	1987
Estimated Authorization Level	1.0	1.1	1.2	1.3	1.4
Estimated Outlays	1.0	1.1	1.2	1.3	1.4

The VA maintains that, because this program is administered by the Civilian Health and Medical Program of the United States (CHAMPUS), they do not have sufficient information on CHAMPVA beneficiaries to estimate the cost of this proposal. The Office of CHAMPUS, however, has prepared a cost estimate of a related measure, S. 1665, which would make CHAMPUS and CHAMPVA secondary payers to Medicare when their beneficiaries become entitled to that program. S. 1665, which was estimated to involve an additional cost to CHAMPVA of $3.6 million, would be considerably more costly than the section 5 provision. As a secondary payer, CHAMPVA would be required to pick up all the deductible and co-insurance payments charged to Medicare beneficiaries before their benefits are exhausted, as well as the cost of their care afterwards. Since few Medicare beneficiaries actually exhaust their benefits, it is expected that the additional cost to CHAMPVA of section 5 would be no more than $1 million in fiscal year 1983. This cost was inflated in the outyears by the CBO projection of the increases in the costs of medical services.

Section 8: This section extends through fiscal year 1986 the authorization of the appropriation of such sums as may be necessary for grants to states for the construction of state extended care facilities, where such facilities are needed to provide adequate nursing home care to veterans residing in the state.

(by fiscal year, in millions of dollars)

	1983	1984	1985	1986	1987
Estimated Authorization Level	17.1	18.4	19.8	21.3	0.0
Estimated Outlays	0.2	7.9	14.4	18.8	19.9

The anticipated appropriation levels for fiscal years 1983-1986 were estimated by inflating the amount appropriated for fiscal year 1982 by CBO's medical care facility construction cost index. Appropriated amounts were assumed to outlay according to historical spending patterns.

7. ESTIMATE COMPARISON: None.

8. PREVIOUS CBO ESTIMATE: None.

9. ESTIMATE PREPARED BY: K.W. Shepherd (226-2820).

10. ESTIMATE APPROVED BY:

James Blum

James L. Blum
Assistant Director for
Budget Analysis Division

REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact which would be incurred in carrying out the Committee bill. The results of that evaluation are described below.

A. *Estimate of the number of individuals and businesses who would be regulated and a determination of the groups and classes of such individuals and businesses:* The Committee bill consists of nine substantive provisions, one of which (section 7) is a technical amendment and thus has no regulatory impact.

Of the other eight substantive provisions in the Committee bill, three (clause 2 of section 4 and sections 6 and 8) would amend current law to extend existing programs or authorities. None of these provisions would result in any significant regulatory authority beyond the modifications, where appropriate, of existing regulations to reflect the extensions.

Two other provisions (clause (1) of section 4 and section 5) would modify existing eligibility requirements for various VA health-care authorities and would require no regulatory activity beyond modifications to existing regulations, where appropriate, to reflect the changes.

One provision (section 9) would amend current law to specify that State veterans' homes may participate in exchange of medical information programs and should require no regulatory activity except as necessary to reflect this addition.

Finally, three provisions (sections 2, 3, and 10) relate to various efforts to enable the VA to improve its recruitment and retention of health-care personnel, especially registered nurses, and, although the agency will issue regulations to implement the various authorities, no individuals or businesses will be regulated as a result of such actions.

B. *Determination of the economic impact of such regulations on individuals, consumers, and the businesses affected:* Since, as previously indicated, there would be no such regulation, there would be no such impact.

C. *Determination of the impact on the personal privacy of the individual affected:* The enactment of the Committee bill would not significantly increase the impact on the personal privacy of participants in any of the programs involved.

D. *Determination of the amount of additional paperwork that will result from regulations to be promulgated under the bill:* There is no significant increase in paperwork likely to result from regulations to be promulgated under the Committee bill.

SECTION-BY-SECTION ANALYSIS OF S. 2385 AS REPORTED

Section 1—SHORT TITLE

Subsection (a) of section 1 would provide that the Committee bill may be cited as the "Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982".

Subsection (b) of section 1 would provide that, whenever in the Committee bill an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code, relating to veterans' benefits.

Section 2—HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

Subsection (a) of section 2 would amend present section 4142 of title 38 relating to eligibility criteria for participation in the Veterans' Administration's Health Professional Scholarship Program and the terms of the contracts under which scholarship assistance is provided, to authorize the Administrator to provide scholarship assistance to VA employees attending school on a part-time basis and to clarify that the amount of the stipend to be paid to a participant under the program may be modified so that the Administrator can limit to tuition reimbursement and a nominal stipend its payments to a VA employee participating in the scholarship program as a part-time student. Thus, the Committee bill would provide a basis for current VA health-care personnel, such as registered nurses and licensed vocational nurses, to be afforded the opportunity to receive financial assistance for further educational pursuits on less than a full-time basis while remaining employed in the VA on a full- or part-time basis.

Clause (1) of subsection (a) of section 2 would amend subsection (a)(1) of present section 4142, relating to criteria for eligibility to participate in the Scholarship Program—which currently limits participation to individuals pursuing their education on a full-time basis—to permit a VA employee permanently assigned to a VA health-care facility to receive scholarship assistance for part-time, but not-less-than-half-time, study.

Clause (2) of subsection (a) of section 2 would amend subsection (f)(3) of present section 4142, relating to periodic cost-of-living-type adjustments in the amount of the monthly stipened payable to participants in the Scholarship Program as specified in subsection (f)(1)(B) (up to $555 per month at present), to insert the adjective "maximum" before the phrase "amount of monthly stipend" so as to clarify that the Administrator may pay monthly stipends in amounts up to the specified amount specified in subsection (f)(1)(B) or some lesser amount. As a result, for example, the Administrator, in the case of a VA employee participating in the program on a part-time-study basis, could—based on the employee's salary or other factors, such as the possible desirability of making limited scholarship funds available to as many individuals as possible—pay a stipend below the maximum amount. Thus, if the Administrator were to decide on a nominal stipend for a VA employee, the scholarship would be, in effect, a tuition-reimbursement plan—a form of assistance that could enable the VA to be more competitive with non-VA health-care facilities that offer programs of tuition reimbursement to their employees. Presently, such tuition reimbursement is generally not available under the general authority in chapter 41 of title 5, United States Code, pursuant to which Federal employees receive training support unless it is determined under the regulations implementing that authority that the training would result in the professional development of the employee, a result not generally reached in the case of a registered nurse pursuing a baccalaureate degree in nursing.

Clause (3) of subsection (a) of section 2 would redesignate subsections (g), (h), and (i) of present section 4142 as subsections (h), (i), and (j), respectively.

Clause (4) of subsection (a) of section 2 would further amend present section 4142 by adding a new subsection (g), as follows:

New subsection (g): Would modify various Scholarship Program elements in the case of a part-time-student participant.

Paragraph (1) of new subsection (g): Would—in the case of a part-time-student participant and subject to provisions in paragraph (2) of the new subsection—provide that (A) the period of time for which a scholarship may be awarded under section 4142(e) (1) (A) (i) (a period of from 1 to 4 years in the case of a full-time-student participant) shall be increased, (B) the period of obligated service under section 4142(e) (1) (B) (iv) (one calendar year for each school year for which as participant received a scholarship or 2 years, whichever is greater, in the case of a full-time-student participant) shall be reduced, and (C) the maximum amount of the monthly stipend payable under section 4142(f) (1) (B) ($555 at present (subject to annual adjustments) in the case of a full-time-student participant) shall be reduced. Such increase and reductions would be computed in accordance with the proportion that the number of credit hours carried by the part-time-student participant bears to the number of credit hours carried by a full-time-student participant in the course of training.

Subparagraph (A) of paragraph (2) of new subsection (g): Would generally limit the maximum period of time for which a scholarship could be awarded to a part-time-student participant to 4 school years except that the Administrator could extend the period by 2 years when such an extension would be in the best interests of the United States—subject to the part-time-student participant maintaining an acceptable level of academic standing. Thus, in those instances in which a VA employee participating in the Scholarship Program on a part-time study basis needs more than 4 years of part-time (limited to half-time or more under the amendment proposed to be made by subsection (a) (1) of this section of the bill) study in order to complete a course of training, the Administrator would be able to extend the period by up to 2 years.

Subparagraph (B) of paragraph (2) of new subsection (g): Would provide that the minimum period of obligated service of a part-time student participant would be 1 year.

Paragraph (3) of new subsection (g): Would preclude the payment of a stipend to a part-time-student participant for any month during which the participant is not actually attending the course of training.

Clause (5) of subsection (a) of section 2 would amend subsection (h) (as proposed to be redesignated by clause (3) of subsection (a) of this section of the bill) of present section 4142, relating to the exclusion of Scholarship Program participants from determinations of compliance with VA employment ceilings, to limit the application of that exclusion to full-time-student participants. Thus, part-time-student participants, all of whom would be VA employees, would be counted (as employees—either full- or part-time as the case might be—as under current law and practice) in any employee ceiling determinations.

Subsection (b) of section 2 would amend present section 4143(c), relating to the time at which a Scholarship Program participant's obligated service is considered to begin—the date of appointment as a full-time employee in the VA's Department of Medicine and Surgery—to specify that, in the case of a part-time-student participant (who would already be a VA employee at the outset of training), the date of appointment as a full-time employee in the VA's Department of Medicine and Surgery from which the period of obligated service is computed would be the date of appointment at the completion of the participant's course of training.

Subsection (c) of section 2 would amend present section 4146, relating to the Administrator's authority in a fiscal year to make payments under the Scholarship Program, by adding a new subsection (b), as follows:

New subsection (b): Would provide that sums appropriated for the purpose of making payments under the Scholarship Program shall remain available for that purpose until expended and thus would enable the Administrator to make multi-year scholarship commitments to participants.

Section 2—Cost: Enactment of the provisions of section 2 is estimated to entail no significant costs.

Section 3—ADDITIONAL PAY PROVISIONS

Would amend present section 4107 of title 38, relating to the pay of VA Department of Medicine and Surgery (DM&S) personnel employed under the DM&S title 38 personnel system.

Clause (1) of section 3 would amend paragraph (10) of subsection (e) of present section 4107, relating to the Administrator's authority to modify rates of additional pay for registered nurses employed in VA facilities under title 38, to give the Administrator discretionary authority to extend the period for which additional pay is paid to nurses under paragraph (5) of that subsection for certain work on a weekend—presently limited to a period of work that occurs at least in part on a Sunday—to include some or all of a shift that occurs on a Saturday. This clause of the bill would also amend current section 4107(e)(10) to provide that any increase in rates of additional pay or any extension of time for which additional pay may be paid under paragraph (5) of such section, may be made on a nationwide, local, or other geographic basis provided that a specified finding has been made of the need for such change.

Clause (2) of section 3 would amend section 4107 by adding new subsections (h) and (i), as follows:

Paragraph (1) of new subsection (h): Would authorize the Administrator, upon a determination that it is necessary in order to recruit or retain categories of title 38 health-care personnel—physicians, dentists, podiatrists, optometrists, nurses, physician assistants, or expanded-function dental auxiliaries—or of other VA employees in DM&S—appointed under the civil service authorities in title 5, United States Code—providing direct patient care services or services incident to direct care services, to permit the use by such health-care personnel, on a nationwide, local, or other geographic basis, of flexible and compressed work schedules such as were described in regulations

(Part 620, "Alternative Work Schedules Experiments", of title 5, Code of Federal Regulations) and guidelines (Book 620, "Alternative Work Schedules", of FPM Supplement 990–2), issued on November 30, 1979, and September 30, 1980, respectively, by the Director of the Office of Personnel Management in order to carry out titles I—Flexible Scheduling of Work Hours—and II—4-Day Week and Other Compressed Work Schedules—of the Federal Employees Flexible and Compressed Work Schedules Act of 1978, Public Law 95–390. The Committee intends that in the event that the authorities provided in Public Law 95–390 are extended or there is other legislative action in this area and OPM issues further regulations or guidelines, or both, which provide greater flexibility or ranges of options, the Administrator will not be precluded by the authority in this new subsection from utilizing the broader authority in such regulations or guidelines, or both. Similarly, the Administrator would not be precluded from using the authority in this new subsection in the event that there is subsequent legislation and OPM regulations/guidelines that are narrower than the prior regulations/guidelines.

Paragraph (2) of new subsection (h): Would require the Administrator, not later than 180 days after the date of the enactment of the Committee bill, to prescribe regulations—to the maximum extent feasible consistent with the regulations and guidelines issued under the 1978 Act—to carry out the authority proposed to be provided in paragraph (1) of this new subsection.

Paragraph (3) of new subsection (h): Would provide the Administrator's authority to establish flexible and compressed work schedules pursuant to this subsection would expire at the end of fiscal year 1987.

Paragraph (4) of new subsection (h): Would require the Administrator, not later than 4 years after the date of the enactment of this bill, to report to the Congress on the results of the use by the VA of flexible and compressed work schedules authorized pursuant to this subsection and otherwise, including an evaluation of the effects of the use of such schedules on the recruitment and retention of health-care personnel using them, together with recommendations for administrative or legislative action, or both, based on the VA's use of and need for such schedules.

New subsection (i): Would authorize the Administrator, when necessary to recruit or retain registered nurses in DM&S, to allow nurses at individual VA facilities, subject to certain specified limitations relating to rates of pay and computations of leave, to work two regularly-scheduled 12-hour tours of duty during a weekend and have such service be considered a full 40-hour workweek.

Paragraph (1) of new subsection (i): Would authorize the Administrator, when necessary to obtain or retain at any VA health-care facility the services of registered nurses appointed in DM&S under chapter 73 of title 38, to provide, pursuant to regulations prescribed by the Administrator, that nurses employed at that facility who work two regularly-scheduled 12-hour tours of duty within a weekend—the period commencing at midnight Friday and ending at midnight Sunday—shall be considered for all purposes, except for computing full-time equivalent employees for employment ceiling purposes and for certain overtime pay purposes, to have worked a full 40-hour workweek.

Subparagraph (A) of paragraph (2) of new subsection (i): Would provide that a nurse who works two regularly scheduled 12-hour tours of duty during a weekend and who is considered pursuant to this new subsection to have worked a full 40-hour workweek shall be entitled to basic and additional pay and annual and sick leave as prescribed in the subsequent subparagraphs of this paragraph.

Subparagraph (B) of paragraph (2) of new subsection (i): Would provide that such nurse's hourly rate of basic pay for service during a regularly-scheduled 12-hour tour of duty on a weekend shall be determined by dividing the nurse's annual rate of basic pay by 1,248 (which yields a salary rate one and two-thirds (the relationship that 40 is to 24) the rate that such nurse would receive for work on a regular 40-hour week schedule); and would provide that the hourly rate for service at times other than during such a regularly-scheduled 12-hour tour of duty on a weekend shall be determined by dividing the nurse's annual rate of basic pay by 2,080—the number of hours worked over fifty-two 40-hour weeks—(which yields the standard hourly rate for a 40-hour week). Thus, a nurse who is employed by the VA at step one of the full grade at a salary of $19,477 at present would be paid $9.36 an hour for each hour worked during a regular 40-hour week and $15.61 for each hour worked during a regularly-scheduled tour of duty on a weekend under this new subsection.

Subparagraph (C) of paragraph (2) of new subsection (i): Would provide that, except as otherwise provided in this subparagraph (C), a nurse who works two regularly-scheduled 12-hour tours of duty during a weekend and who is considered pursuant to this new subsection to have worked a full 40-hour workweek would *not* be entitled to additional pay for work outside of a regular workday or workweek, for any period included in either of such nurse's regularly-scheduled 12-hour tours of weekend duty. Such a nurse *would* be entitled to additional pay under subsection (e)(5) of present section 4107, relating to pay for overtime service, for any period of service beyond the two regularly-scheduled 12-hour tours of weekend duty when (1) the total officially ordered or approved service during the nurse's administrative workweek (the period from Sunday to Saturday) is in excess of 40 hours (for a nurse having worked two regularly-scheduled 12-hour tours of duty on a weekend who then worked regular 8-hour tours of duty on four or more days during the remainder of the week, overtime pay would be paid beginning after 4 hours of work on the fourth such 8-hour day), (2) is in excess of 8 hours on a day other than a Saturday or a Sunday, or (3) is in excess of 24 hours within the weekend period during which the two regularly-scheduled 12-hour hours of duty are worked.

Subparagraph (D) of paragraph (2) of new subsection (i): Would provide that a nurse who is absent on approved sick leave or annual leave during a regularly-scheduled 12-hour tour of duty on a weekend shall be charged for such leave at a rate of 5 hours of leave for 3 hours of absence. Thus, a nurse absent on approved sick leave or annual leave for all of a regularly-scheduled 12-hour tour of duty on a weekend would be charged for 20 hours of leave.

Section 3—Cost: Enactment of the provisions of section 3 is estimated to entail costs of less than $500,000 in fiscal year 1983.

Section 4—CONTRACT CARE

Would amend clause (C) of paragraph (4) of present section 601 of title 38, which defines "Veterans' Administration facilities" to include, under the circumstances described in such clause (C), private facilities and, thus, in conjunction with certain other provisions of such chapter 17, provides authority for the furnishing of contract hospital care and medical services (so-called "fee" care or "fee-basis" care) under those same circumstances.

Clause (1) of section 4 would amend present section 601(4)(C)(iv), relating to the Administrator's authority to provide hospital care on a fee basis to women veterans, to expand that authority so as to allow the Administrator to provide, on a fee basis, such outpatient medical services as (by virtue of the reference to "Veterans' Administration facilities" in section 612(f)(1)(A)) are needed pre- or post-hospitalization or that will obviate the need for hospital admission or post-hospitalization (by virtue of such reference in section 612 (f)(1)(B)) for non-service-connected, gender-related disabilities of a woman veteran which the VA is not able itself to treat.

Clause (2) of section 4 would amend present section 601(4)(C)(v), relating to the Administrator's authority to provide fee-basis hospital care and medical services in certain noncontiguous "States" (defined in present section 101(20) to include United States Territories and possessions and the Commonwealth of Puerto Rico), to extend for 1 year—from September 30, 1982, until September 30, 1983,—the VA's contract authority, in the Commonwealth of Puerto Rico and the Virgin Islands and other Territories and possessions of the United States, to provide for non-service-connected disabilities, hospital care and such medical-care services as will obviate the need for hospital admission.

Section 4—Cost: Enactment of the provisions of section 4 is estimated to entail costs of $10.6 million in fiscal year 1983.

Section 5—CHAMPVA ELIGIBILITY REACQUISITION

Would amend present section 613 of title 38, relating to eligibility for medical care through the CHAMPVA program for the survivors and dependents of certain severely disabled service-connected disabled veterans, to provide for a reinstatement of CHAMPVA eligibility if an individual, after losing CHAMPVA eligibility by virtue of becoming eligible for hospital insurance benefits under part A of Medicare, exhausts some or all such Medicare eligibility. Under current law, present section 613(b) of title 38, CHAMPVA benefits (described below) are provided on the same or similar basis as CHAMPUS benefits (health-care benefits in private facilities for retired members and dependents of active-duty and retired members of the Armed Forces). Consequently, the second sentence of section 1086(e) of title 10, United States Code, which provides for the termination of eligibility for CHAMPUS benefits when a CHAMPUS beneficiary becomes eligible for the Medicare benefit applies to CHAMPVA beneficiaries.

Clause (1) of section 5 would amend present section 613(b) to add a cross-reference to new subsection (d) as proposed to be added by clause (2) of this section of the Committee bill.

Clause (2) of section 5 would amend present section 613(b) to add a new subsection (d), as follows:

New subsection (d): Would provide that, notwithstanding the second sentence of section 1086(c) of title 10 (discussed above) or any other provision of law, any person eligible for CHAMPVA benefits—a spouse or child of veteran who has a 100-percent permanent service-connected disability or the surviving spouse or child of a veteran who at the time of death, had such a 100-percent disability or who died as the result of a service-connected disability—shall, after losing eligibility for CHAMPVA benefits by virtue of becoming eligible for hospital insurance benefits under part A of Medicare, regain CHAMPVA eligibility after exhausting any Medicare benefits and shall not, thereafter, lose eligibility for CHAMPVA benefits by becoming again eligible for Medicare benefits.

Section 5—Cost: Enactment of the provisions of section 5 is estimated to entail costs of $1 million in fiscal year 1983.

Section 6—REPORT EXTENSION

Would amend subsection (f) of present section 620A of title 38, relating to the report of the Administrator on the pilot program for the treatment and rehabilitation for alcohol or drug dependence or abuse disabilities being conducted under that section, to extend the due date of the report 1 year—from March 31, 1983, to March 31, 1984—and to extend the end date of the period of operations under the pilot program to be covered in the report—from September 30, 1982, to September 30, 1983.

Section 6—Cost: Enactment of the provisions of section 6 is estimated to entail no costs.

Section 7—TECHNICAL AMENDMENT

Would amend present section 643 of title 38, relating to payments to State veterans' homes for care provided to eligible veterans, to strike an anachronistic reference to service during a period of war as an eligibility factor for such payments and thereby conform this section to section 641, which sets forth the criteria for payments by the VA to State veterans' homes. This is purely a technical amendment since the VA does not now ascribe any limiting significance to the words to be stricken.

Section 7—Cost: Enactment of the provisions of section 7 is estimated to entail no costs.

Section 8—STATE VETERANS HOME GRANTS

Would amend present section 5033(a) of title 38, relating to the authorization of appropriations for the making of grants to States for the construction of State veterans' home facilities to furnish domiciliary or nursing home care to veterans or to expand, remodel, or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes, to extend for 4 fiscal years—through the fiscal year ending September 30, 1986—the current authorization of appropriations (at a level of "such sums as may be necessary").

Section 8—Cost: Enactment of the provisions of section 8 is estimated to entail costs of $200,000 in fiscal year 1983.

Section 9—MEDICAL INFORMATION EXCHANGE WITH STATE HOMES

Would amend present section 5054(b) of title 38, relating to the Administrator's authority to make available for use by non-VA medical facilities, particularly those near VA facilities in remote areas, VA educational facilities and programs and the VA electronic communications capability linking such VA facilities to major medical centers and to charge a fee for services, to include an express reference to State veterans homes as part of the surrounding medical community eligible to participate in such medical information programs.

Section 9—Cost: Enactment of the provisions of section 9 is estimated to entail no significant costs.

Section 10—REGULATIONS FOR SPECIAL PERSONNEL AUTHORITIES

Would require the Administrator, within 90 days after the date of the enactment of the Committee bill, to publish in the Federal Register, for a 60-day public review and comment period, proposed regulations for the implementation of the authorities in section 4107(e)(10) (as proposed to be amended in part by section 3 of the Committee bill) to increase rates of additional pay and (as proposed to be provided in section 3 of the Committee bill) to extend the period within which additional pay is paid and the authority in present section 4107(g) to increase rates of basic pay for certain health-care personnel. The Administrator would be required to publish final regulations within 210 days after the date of enactment. The authorities in sections 4107(e)(10) and 4107(g) were enacted on August 26, 1980, and the VA has not yet issued regulations to implement these new authorities.

Section 10—Cost: Enactment of the provisions of section 10 is estimated to entail no significant costs.

Section 11—EFFECTIVE DATES

Would provide that, with the exception of the changes in eligibility for the CHAMPVA program in section 5 of the Committee bill, which would be made effective on October 1, 1982, the provisions of the Committee bill would become effective on the date of its enactment.

TABULATION OF VOTES CAST IN COMMITTEE

In compliance with paragraph 7 of rule XXVI of the Standing Rules of the Senate, the following is a tabulation of votes cast in person or proxy by Members of the Committee on Veterans' Affairs at an April 28, 1982, meeting to consider S. 2385.

The Committee agreed to report S. 2385, with an amendment in the nature of a substitute, and a title amendment, favorably to the Senate by a 12–0 vote, as follows:

YEAS—12	NAYS—0
Alan Simpson	
Strom Thurmond	
Robert Stafford	
Bob Kasten	
Jeremiah Denton	
Frank Murkowski	
Arlen Specter	
Alan Cranston	
Jennings Randolph	
Spark Matsunaga	
Dennis DeConcini	
George Mitchell	

AGENCY REPORTS

In lieu of a report on S. 2385 from the Veterans' Administration the full statement of the Acting Associate Chief Medical Director of the Veterans' Administration, appearing before the Committee on April 21, 1982, is included to express that agency's views on that measure. The prepared statement follows:

* * * * * * *

CHANGES IN EXISTING LAW MADE BY S. 2385 AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—UNITED STATES CODE

* * * * * * *

PART II—GENERAL BENEFITS

* * * * * * *

CHAPTER 17—HOSPITAL, NURSING HOME, DOMICILIARY, AND MEDICAL CARE

* * * * * * *

Subchapter I—General

§ 601. Definitions

For the purpose of this chapter—

(1) The term "disability" means a disease, injury, or other physical or mental defect.

(2) The term "veteran of any war" includes any veteran of the Indian Wars, or any veteran awarded the Medal of Honor.

(3) The term "period of war" includes each of the Indian Wars.

(4) The term "Veterans' Administration facilities" means—

(A) facilities over which the Administrator has direct jurisdiction;

(B) Government facilities for which the Administrator contracts; and

(C) private facilities for which the Administrator contracts when facilities described in clause (A) or (B) of this paragraph are not capable of furnishing economical care because of geographical inaccessibility or of furnishing the care or services required in order to provide (i) hospital care or medical services to a veteran for the treatment of a service-connected disability or a disability for which a veteran was discharged or released from the active military, naval, or air service; (ii) medical services for the treatment of any disability of a veteran described in clause

(1)(B) or (2) of the first sentence, or in the third sentence, of section 612(f) of this title or of a veteran described in section 612(g) of this title if the Administrator has determined, based on an examination by a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement), that the medical condition of such veteran precludes appropriate treatment in facilities described in clauses (A) and (B) of this paragraph; (iii) hospital care or medical services for the treatment of medical emergencies which pose a serious threat to the life or health of a veteran receiving medical services in a facility described in clause (A) or (B) of this paragraph until such time as the veteran can be safely transferred to any such facility; (iv) hospital care for women veterans, *and medical services described in clause (1) of section 612(f) of this title for a woman veteran if the Administrator has determined, based on an examination by a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement), that a medical condition of such woman veteran relating to her gender precludes appropriate treatment in facilities described in clause (A) or (B) of this paragraph*; (v) hospital care, or medical services that will obviate the need for hospital admission, for veterans in a State not contiguous to the forty-eight contiguous States, except that the annually determined hospital patient load and incidence of the provision of medical services to veterans hospitalized or treated at the expense of the Veterans' Administration in Government and private facilities in each such noncontiguous State shall be consistent with the patient load or incidence of the provision of medical services for veterans hospitalized or treated by the Veterans' Administration within the forty-eight contiguous States, but the authority of the Administrator under this subclause (except with respect to Alaska and Hawaii) shall expire on September 30, [1982,] *1983*, and until such date the Administrator may, if necessary to prevent hardship, waive the applicability to the Commonwealth of Puerto Rico and to the Virgin Islands of the restrictions in this subclause with respect to hospital patient loads and incidence of provision of medical services; or (vi) diagnostic services necessary for determination of eligibility for, or of the appropriate course of treatment in connection with, the provision of medical services at independent Veterans' Administration outpatient clinics to obviate the need for hospital admission.
In the case of any veteran for whom the Administrator contracts to provide treatment in a private facility pursuant to the provisions of this paragraph, the Administrator shall periodically review the necessity for continuing such contractual arrangement pursuant to such provision.

* * * * * * *

Subchapter II—Hospital, Nursing Home or Domiciliary Care and Medical Treatment

* * * * * * *

§ 613. Medical care for survivors and dependents of certain veterans

(a) The Administrator is authorized to provide medical care, in accordance with the provisions of subsection (b) of this section, for—

(1) the spouse or child of a veteran who has a total disability, permanent in nature, resulting from a service-connected disability,

(2) the surviving spouse or child of a veteran who (A) died as a result of a service-connected disability, or (B) at the time of death had a total disability permanent in nature, resulting from a service-connected disability, and

(3) the surviving spouse or child of a person who died in the active military, naval, or air service in the line of duty and not due to such person's own misconduct,

who are not otherwise eligible for medical care under chapter 55 of title 10 (CHAMPUS).

(b) In order to accomplish the purposes of subsection (a) of this section, the Administrator shall provide for medical care in the same or similar manner and, *except as provided in subsection (d) of this section*, subject to the same or similar limitations as medical care is furnished to certain dependents and survivors of active duty and retired members of the Armed Forces under chapter 55 of title 10 (CHAMPUS), by—

(1) entering into an agreement with the Secretary of Defense under which the Secretary shall include coverage for such medical care under the contract, or contracts, the Secretary enters into to carry out such chapter 55, and under which the Administrator shall fully reimburse the Secretary for all costs and expenditures made for the purposes of affording the medical care authorized pursuant to this section; or

(2) contracting in accordance with such regulations as the Administrator shall prescribe for such insurance, medical service, or health plans the Administrator deems appropriate.

* * * * * * *

(d) Notwithstanding the provisions of the second sentence of section 1086(c) of title 10 or any other provision of law, any spouse, surviving spouse, or child who, after losing eligibility for medical care under this section by virtue of becoming entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.), has exhausted any such benefits shall regain eligibility for medical care under this section and shall not thereafter lose such eligibility under this section by virtue of becoming again eligible for such benefits.

* * * * * * *

§ 620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities; pilot program

(a)(1) * * *

* * * * * * *

(f) Not later than March 31, [1983,] *1984*, the Administrator shall report to the Committees on Veterans' Affairs of the Senate and House of Representatives on the findings and recommendations of the Administrator pertaining to the operation through September 30, [1982,] *1983*, of the pilot program authorized by this section.

* * * * * * *

Subchapter V—Payments to State Homes

* * * * * * *

§ 643. Applications

Payments on account of any veteran [of any war] cared for in a State home shall be made under this subchapter only from the date the Administrator receives a request for determination of such veteran's eligibility; however, if such request is received by the Administrator within ten days after care of such veteran begins, payments shall be made on account of such veteran from the date care began.

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PART V—BOARDS AND DEPARTMENTS

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CHAPTER 73—DEPARTMENT OF MEDICINE AND SURGERY

Subchapter I—Organization; General

* * * * * * *

§ 4107. Grades and pay scales

(a) * * *

* * * * * * *

(e)(1) * * *

* * * * * * *

(10)(*A*) Notwithstanding any other provision of law, if the Administrator determines it to be necessary in order to obtain or retain the services of nurses entitled to additional pay under this subsection, the Administrator may (*i*) increase the amount of additional pay authorized under this subsection to be paid to nurses at any specific Veterans' Administration health-care facility in order to provide additional pay in an amount competitive with, but not exceeding, the amount of the same type of pay that is paid to the same category of nurses at non-Federal health-care facilities in the same geographic area as such Veterans' Administration health-care facility (as determined by a reasonably representative sampling of such non-Federal facilities), *or (ii) extend the period for which additional pay is paid under paragarph (3) of this subsection to include part or all of a tour of duty any part of which is within the period commencing at midnight Friday and ending at midnight Saturday.*

(B) Any increase in such rates of additional pay or any extension of such period of additional pay may be made on a nationwide, local,

or other geographic basis if the Administrator finds that such increase or extension is justified on the basis of a review of the need for such increase (based upon a reasonably representative sampling of non-Federal facilities in the geographic area involved) or extension.

* * * * * * *

(h) (1) Notwithstanding any other provision of law but subject to paragraphs (2) and (3) of this subsection, when the Administrator determines it to be necessary in order to obtain or retain the services of any category of health-care personnel described in clause (A) or (B) of subsection (g) (1) of this section, the Administrator may authorize for such category of health-care personnel, on a nationwide, local, or other geographic basis, the use of such flexible and compressed work schedules as were described in regulations and guidelines issued by the Director of the Office of Personnel Management under section 305 of the Federal Employees Flexible and Compressed Work Schedules Act of 1978 (92 Stat. 761) in order to carry out titles I and II of such Act.

(2) Not later than one hundred and eighty days after the date of the enactment of this subsection, the Administrator, in order to carry out this subsection, shall prescribe regulations, which, to the maximum extent feasible, shall be consistent with the regulations and guidelines described in paragraph (1) of this subsection.

(3) The authority to establish flexible and compressed work schedules pursuant to this subsection shall expire on September 30, 1987.

(4) Not later than the end of the four-year period beginning on the date of the enactment of this Act, the Administrator shall submit to the Congress a report on the results of the use of flexible and compressed work schedules, including an evaluation of the effects of the use of such schedules on the recruitment and retention of the health-care personnel using them, together with any recommendations for administrative or legislative action, or both, that the Administrator considers appropriate in light of the need for and use of flexible and compressed work schedules by the Veterans' Administration.

(i) (1) Notwithstanding any other provision of law but subject to paragraph (2) of this subsection, when the Administrator determines it to be necessary in order to obtain or retain at any Veterans' Administration health-care facility the services of nurses appointed under this subchapter, the Administrator, pursuant to regulations which the Administrator shall prescribe, may provide that such nurses employed at such facility who work two regularly scheduled twelve-hour tours of duty within the period commencing at midnight Friday and ending at midnight Sunday shall be considered for all purposes (except computation of full-time equivalent employees for the purposes of determining compliance with personnel ceilings) to have worked a full forty-hour administrative workweek.

(2) (A) A nurse who is considered under paragraph (1) of this subsection to have worked a full forty-hour administrative workweek is entitled to basic and additional pay and annual and sick leave as prescribed in subparagraphs (B), (C), and (D) of this paragraph.

(B) (i) The hourly rate of basic pay for such nurse for service performed as part of such nurse's regularly scheduled twelve-hour tour of

duty shall be derived by dividing the nurse's annual rate of basic pay by one thousand two hundred and forty-eight.

(ii) The hourly rate of basic pay for such nurse for other service shall be derived by dividing the nurse's annual rate of basic pay by two thousand and eighty.

(C)(i) Except as provided in division (ii) of this subparagraph, such nurse is not entitled to additional pay under subsection (e) of this section for any period included in such nurse's regularly scheduled twelve-hour tour of duty.

(ii) Such nurse is entitled to overtime pay under subsection (e)(5) of this section for any period of service performed in excess of such nurse's regularly scheduled two twelve-hour tours of duty when the total officially ordered or approved service performed during an administrative workweek is in excess of (I) forty hours, (II) eight hours on a day other than a Saturday or Sunday, or (III) twenty-four hours within the period commencing at midnight Friday and ending at midnight Sunday.

(D) Such nurse who is absent on approved sick leave or annual leave during such nurse's regularly scheduled twelve-hour tour of duty shall be charged for such leave at a rate of five hours of leave for three hours of absence.

* * * * * * *

Subchapter IV—Veterans' Administration Health Professional Scholarship Program

* * * * * * *

§ 4142. Eligibility; application; written contract

(a) To be eligible to participate in the Scholarship Program, an individual must—

(1) be accepted for enrollment, or be enrolled, as a full-time, *or, in the case of any Veterans' Administration employee permanently assigned to a Veterans' Administration health-care facility, part-time*, student (A) in an accredited (as determined by the Administrator) educational institution in a State, and (B) in a course of training offered by such institution and approved by the Administrator, leading to a degree in medicine, osteopathy, dentistry, podiatry, optometry, or nursing or a course of training to become a physician assistant or expanded-function dental auxiliary;

(2) submit an application to the Administrator for participation in the Scholarship Program;

(3) sign and submit to the Administrator, at the time of submission of such application, a written contract (described in subsection (e) of this section) to accept payment of a scholarship and to serve a period of obligated service as provided in section 4143 of this title; and

(4) at the time of submission of such application, not be obligated under any other Federal program to perform service after completion of the course of study or program of such individual referred to in clause (1) of this subsection.

For the purposes of this subchapter, "part-time student" means a Veterans' Administration employee pursuing study on not less than a half-time basis in a course of training described in subsection (a)(1)(B) of this section.

* * * * * * *

(f)(1) A scholarship provided to a participant in the Scholarship Program for a school year under a written contract under the Scholarship Program shall consist of—

(A) payment to, or (in accordance with paragraph (2) of this subsection) on behalf of, the participant of the amount of—

(i) the tuition of the participant in such school year; and

(ii) other reasonable educational expenses, including fees, books, and laboratory expenses; and

(B) payment to the participant of a stipend of not in excess of $485 per month (adjusted in accordance with paragraph (3) of this subsection) for each of the 12 consecutive months beginning with the first month of such school year.

(2) The Administrator may contract with an educational institution in which a participant in the Scholarship Program is enrolled for the payment to the educational institution of the amounts of tuition and other reasonable educational expenses described in paragraph (1)(A) of this subsection. Payment to such an educational institution may be made without regard to section 3648 of the Revised Statutes of the United States (31 U.S.C. 529).

(3) The *maximum* amount of the monthly stipend, specified in paragraph (1)(B) of this subsection and as previously adjusted (if at all) in accordance with this paragraph, shall be increased by the Administrator for each school year ending in a fiscal year beginning after September 30, 1980, by an amount (rounded to the next highest multiple of $1) equal to the amount of such stipend multiplied by the overall percentage (as set forth in the report transmitted to the Congress under section 5305 of title 5) of the adjustment (if such adjustment is an increase) in the rate of pay under the General Schedule made effective in the fiscal year in which such school year ends.

(g)(1) Subject to paragraph (2) of this subsection, if a participant in the Scholarship Program is awarded a scholarship, as provided for in subsection (a)(1) of this section, as a part-time student in a course of training described in subsection (a)(1)(B) of this section—

(A) the maximum period of time for which a scholarship may be awarded under subsection (e)(1)(A)(i) of this section shall be increased,

(B) the period of obligated service of such participant under subsection (e)(1)(B)(iv) of this section shall be reduced, and

(C) the maximum amount of the stipend payable under subsection (f)(1)(B) of this section shall be reduced

in accordance with the proportion that the number of credit hours carried by such participant bears to the number of credit hours required to be carried by a full-time student in such a course of training.

(2)(A) In the case of a part-time-student participant, no scholarship may be awarded for a period in excess of four school years except

that the Administrator may, subject to such participant's maintaining an acceptable level of academic standing as described in subsection (e)(1)(B)(iii) of this section, extend the scholarship award period for a period not in excess of two additional school years if the Administrator determines that such an extension would be in the best interests of the United States.

(B) The period of obligated service of such a participant shall be not less than one calendar year.

(3) In the case of such a participant, no stipend shall be paid under subsection (f)(1)(B) of this section for any month during which such participant is not actually attending the course of training in which such participant is enrolled.

[(g)**]**(*h*) Notwithstanding any other provision of law, *full-time-student* participants in the Scholarship Program shall not be considered to be employees of the Federal Government and shall not be counted against any employment ceiling affecting the Department of Medicine and Survey while they are undergoing a course of training prior to engaging in deferred internship, residency, or other advanced clinical training.

[(h)**]**(*i*) The Administrator shall report to Congress not later than March 1 of each year—

(1) the number of students receiving scholarships under the Scholarship Program and the number of students enrolled in each type of health profession training;

(2) the educational institutions providing such training;

(3) the number of applications filed, by health profession category, under this section during the school year beginning in such year and the total number of such applications so filed for all years in which the Scholarship Program has been in existence;

(4) the number of scholarships accepted, by health profession category, during such school year and the number, by health profession category, which were offered and not accepted, together with a summary of the reasons that such scholarships were not accepted; and

(5) the amount of tuition and other expenses paid, by health profession category, in the aggregate and at each educational institution for the school year beginning in such year and for prior school years.

[(i)**]**(*j*) The Administrator shall prescribe regulations to carry out the Scholarship Program.

§ 4143. Obligated service

(a) * * *

* * * * * * *

(c) A participant in the Scholarship Program shall be considered to have begun serving a period of obligated service on the date such participant, in accordance with subsection (a) of this section, is appointed, *initially in the case of a full-time-student participant, and after the completion of such participant's course of training in the case of a part-time-student participant*, under this chapter as a full-time employee in the Department of Medicine and Surgery.

* * * * * * *

§ 4146. Program subject to availability of appropriations

(*a*) The authority of the Administrator to make payments under this subchapter is effective for any fiscal year only to the extent that appropriated funds are available for such purposes.

(b) Sums appropriated for the purpose of making payments under this subchapter shall remain available for such purpose until expended.

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PART VI—ACQUISITION AND DISPOSITION OF PROPERTY

* * * * * * *

CHAPTER 81—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY

* * * * * * *

Subchapter III—State Home Facilities for Furnishing Domiciliary, Nursing Home, and Hospital Care

* * * * * * *

§ 5033. Authorization of appropriations

(a) There is hereby authorized to be appropriated $15,000,000 for the fiscal year ending September 30, 1978, a like sum for each of the two succeeding fiscal years, and such sums as may be necessary for [the fiscal years ending September 30, 1981, and September 30, 1982] *each of the six succeeding fiscal years.* Sums appropriated pursuant to this section shall be used for making grants to States which have submitted, and have had approved by the Administrator, applications for carrying out the purposes and meeting the requirements of this subchapter.

* * * * * * *

Subchapter IV—Sharing of Medical Facilities, Equipment, and Information

* * * * * * *

§ 5054. Exchange of medical information

(a) * * *

* * * * * * *

(b) In order to bring about utilization of all medical information in the surrounding medical community, particularly in remote areas, and to foster and encourage the widest possible cooperation and consultation among all members of the medical profession in such community, the educational facilities and programs established at Veterans' Administration hospitals and the electronic link to medical centers shall be made available for use by the surrounding medical community (*including State home facilities furnishing domiciliary, nursing home, or hospital care to veterans*). The Administrator may charge a fee for such services (on annual or like basis) at rates which the Administrator determines, after appropriate study, to be fair and equitable. The financial status of any user of such services shall be taken into consideration by the Administrator in establishing the amount of the fee to be paid. Any proceeds to the Government received therefrom shall be credited to the applicable Veterans' Administration medical appropriation.

* * * * * * *

APPENDIX B

II

Calendar No. 663

97TH CONGRESS
2D SESSION

S. 2385

[Report No. 97–467]

To amend subchapter IV of chapter 73 of title 38, United States Code, to modify the Veterans' Administration health professional scholarship program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 15 (legislative day, APRIL 13), 1982

Mr. SIMPSON (for himself, Mr. CRANSTON, Mr. THURMOND, Mr. STAFFORD, Mr. KASTEN, Mr. MURKOWSKI, Mr. SPECTER, Mr. RANDOLPH, Mr. MATSUNAGA, Mr. DECONCINI, Mr. MITCHELL, Mr. BURDICK, and Mr. COHEN) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

JUNE 8, 1982

Reported, under authority of the orders of the Senate of May 12 (legislative day, May 11), 1982, and of June 8, 1982, by Mr. SIMPSON, with an amendment, and an amendment to the title

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend subchapter IV of chapter 73 of title 38, United States Code, to modify the Veterans' Administration health professional scholarship program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

~~That section 4142 of title 38, United States Code, is amended—~~

~~(1) by inserting the words "or, in the case of any individual employed by the Department of Medicine and Surgery at the time the individual submits an application under clause (2) of this subsection, part-time" after the words "full-time" in subsection (a)(1);~~

~~(2) by redesignating subsections (g), (h), and (i) as subsections (h), (i), and (j);~~

~~(3) by inserting before subsection (h) (as redesignated by clause (2)) the following new subsection:~~

~~"(g)(1) If a participant is awarded a scholarship as a part-time student, the obligation of the student under subsection (c)(1)(B)(iv) of this section, the amount of the stipend payable under subsection (f)(1)(B) of this section, and the length of the scholarship which can be awarded under subsection (c)(1)(A)(i) of this section, shall, subject to paragraph (2) of this subsection, be adjusted in accordance with the proportion that actual credit hours taken bear to credit hours required of a full-time student.~~

~~"(2)(A) The scholarship shall be provided to any part-time student for not more than four school years.~~

~~"(B) The period of obligated service for any part-time student is not less than two years to be served after the applicable date described in section 4143(b)(3) of this title.";~~

~~(4) by inserting in subsection (h) (as redesignated in clause (2)) after the words "provision of law," a comma and "but subject to the second sentence of this subsection,"; and~~

~~(5) by inserting at the end of subsection (h) (as redesignated by clause (2)) the following new sentence: "In the case of any participant in the scholarship program who is employed by the Department of Medicine and Surgery before commencing a course of training, the first sentence of this subsection shall not apply for so long as such participant continues to be so employed.".~~

~~SEC. 2. That section 4143(c) of title 38, United States Code, is amended by inserting "under subsection (b) of this section" after "in the Department of Medicine and Surgery".~~

~~SEC. 3. Within amounts provided to the Medical Administration and Miscellaneous Operating Expenses Appropriation in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982, Public Law 97-101, and notwithstanding section 404 thereof or any other similar provision of law, the sum of $4,000,000 shall be available until expended only to carry out the program established by section 4141 of title 38, United States Code.~~

That (a) this Act may be cited as the "Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

SEC. 2. (a) Section 4142 is amended—

(1) in subsection (a)(1)—

(A) by inserting a comma and "or, in the case of any Veterans' Administration employee permanently assigned to a Veterans' Administration health-care facility, part-time," after "full-time"; and

(B) by adding below clause (4) the following new sentence: "For the purposes of this subchapter, 'part-time student' means a Veterans' Administration employee pursuing study on not less than a half-time basis in a course of training described in subsection (a)(1)(B) of this section.";

(2) by inserting "maximum" after "The" in subsection (f)(3),

(3) by redesignating subsections (g), (h), and (i) as subsections (h), (i), and (j);

(4) by inserting after subsection (f) the following new subsection:

"(g)(1) Subject to paragraph (2) of this subsection, if a participant in the Scholarship Program is awarded a scholarship, as provided for in subsection (a)(1) of this section, as a part-time student in a course of training described in subsection (a)(1)(B) of this section—

"(A) the maximum period of time for which a scholarship may be awarded under subsection (e)(1)(A)(i) of this section shall be increased,

"(B) the period of obligated service of such participant under subsection (e)(1)(B)(iv) of this section shall be reduced, and

"(C) the maximum amount of the stipend payable under subsection (f)(1)(B) of this section shall be reduced

in accordance with the proportion that the number of credit hours carried by such participant bears to the number of credit hours required to be carried by a full-time student in such a course of training.

"(2)(A) In the case of a part-time-student participant, no scholarship may be awarded for a period in excess of four-school years except that the Administrator may, subject to

such participant's maintaining an acceptable level of academic standing as described in subsection (e)(1)(B)(iii) of this section, extend the scholarship award period for a period not in excess of two additional school years if the Administrator determines that such an extension would be in the best interests of the United States.

"(B) The period of obligated service of such a participant shall be not less than one calendar year.

"(3) In the case of such a participant, no stipend shall be paid under subsection (f)(1)(B) of this section for any month during which such participant is not actually attending the course of training in which such participant is enrolled."; and

(5) by inserting "full-time-student" before "participants" in subsection (h) (as redesignated by clause (3) of this subsection).

(b) Section 4143(c) is amended by inserting a comma and "initially in the case of a full-time-student participant, and after the completion of such participant's course of training in the case of a part-time-student participant," after "appointed".

(c) Section 4146 is amended—

(1) by inserting "(a)" before "The"; and

(2) by adding at the end the following new subsection:

"(b) Sums appropriated for the purpose of making payments under this subchapter shall remain available for such purpose until expended.".

ADDITIONAL PAY PROVISIONS

SEC. 3. Section 4107 is amended—

(1) in paragraph (10) of subsection (e)—

(A) by inserting "(A)" before "Notwithstanding" and "(i)" before "increase";

(B) by inserting before the period a comma and "or (ii) extend the period for which additional pay is paid under paragraph (3) of this subsection to include part or all of a tour of duty any part of which is within the period commencing at midnight Friday and ending at midnight Saturday"; and

(C) by adding at the end the following new subparagraph:

"(B) Any increase in such rates of additional pay or any extension of such period of additional pay may be made on a nationwide, local, or other geographic basis if the Administrator finds that such increase or extension is justified on the basis of a review of the need for such increase (based upon a reasonably representative sampling of non-Federal facilities in the geographic area involved) or extension."; and

(2) by adding at the end the following new subsections:

"(h)(1) Notwithstanding any other provision of law but subject to paragraphs (2) and (3) of this subsection, when the Administrator determines it to be necessary in order to obtain or retain the services of any category of health-care personnel described in clause (A) or (B) of subsection (g)(1) of this section, the Administrator may authorize for such category of health-care personnel, on a nationwide, local, or other geographic basis, the use of such flexible and compressed work schedules as were described in regulations and guidelines issued by the Director of the Office of Personnel Management under section 305 of the Federal Employees Flexible and Compressed Work Schedules Act of 1978 (92 Stat. 761) in order to carry out titles I and II of such Act.

"(2) Not later than one hundred and eighty days after the date of the enactment of this subsection, the Administrator, in order to carry out this subsection, shall prescribe regulations, which, to the maximum extent feasible, shall be consistent with the regulations and guidelines described in paragraph (1) of this subsection.

"(3) The authority to establish flexible and compressed work schedules pursuant to this subsection shall expire on September 30, 1987.

"(4) Not later than the end of the four-year period beginning on the date of the enactment of this Act, the Administrator shall submit to the Congress a report on the results of the use of flexible and compressed work schedules, including an evaluation of the effects of the use of such schedules on the recruitment and retention of the health-care personnel using them, together with any recommendations for administrative or legislative action, or both, that the Administrator considers appropriate in light of the need for and use of flexible and compressed work schedules by the Veterans' Administration.

"(i)(1) Notwithstanding any other provision of law but subject to paragraph (2) of this subsection, when the Administrator determines it to be necessary in order to obtain or retain at any Veterans' Administration health-care facility the services of nurses appointed under this subchapter, the Administrator, pursuant to regulations which the Administrator shall prescribe, may provide that such nurses employed at such facility who work two regularly scheduled twelve-hour tours of duty within the period commencing at midnight Friday and ending at midnight Sunday shall be considered for all purposes (except computation of full-time equivalent employees for the purposes of determining compliance with personnel ceilings) to have worked a full forty-hour administrative workweek.

"(2)(A) A nurse who is considered under paragraph (1) of this subsection to have worked a full forty-hour administrative workweek is entitled to basic and additional pay and annual and sick leave as prescribed in subparagraphs (B), (C), and (D) of this paragraph.

"(B)(i) The hourly rate of basic pay for such nurse for service performed as part of such nurse's regularly scheduled twelve-hour tour of duty shall be derived by dividing the nurse's annual rate of basic pay by one thousand two hundred and forty-eight.

"(ii) The hourly rate of basic pay for such nurse for other service shall be derived by dividing the nurse's annual rate of basic pay by two thousand and eighty.

"(C)(i) Except as provided in division (ii) of this subparagraph, such nurse is not entitled to additional pay under subsection (e) of this section for any period included in such nurse's regularly scheduled twelve-hour tour of duty.

"(ii) Such nurse is entitled to overtime pay under subsection (e)(5) of this section for any period of service performed in excess of such nurse's regularly scheduled two twelve-hour tours of duty when the total officially ordered or approved service performed during an administrative workweek is in excess of (I) forty hours, (II) eight hours on a day other than a Saturday or Sunday, or (III) twenty-four hours

within the period commencing at midnight Friday and ending at midnight Sunday.

"(D) Such nurse who is absent on approved sick leave or annual leave during such nurse's regularly scheduled twelve-hour tour of duty shall be charged for such leave at a rate of five hours of leave for three hours of absence.".

CONTRACT CARE

SEC. 4. Section 601(4)(C) is amended—

(1) by inserting a comma and "and medical services described in clause (1) of section 612(f) of this title for a woman veteran if the Administrator has determined, based on an examination by a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement), that a medical condition of such woman veteran relating to her gender precludes appropriate treatment in facilities described in clause (A) or (B) of this paragraph" after "veterans" in subclause (iv); and

(2) by striking out "September 30, 1982," and inserting in lieu thereof "September 30, 1983," in subclause (v).

CHAMPVA ELIGIBILITY REACQUISITION

SEC. 5. Section 613 is amended—

(1) by inserting a comma and "except as provided in subsection (d) of this section," after "manner and" in subsection (b); and

(2) by adding at the end the following new subsection:

"(d) Notwithstanding the provisions of the second sentence of section 1086(c) of title 10 or any other provision of law, any spouse, surviving spouse, or child who, after losing eligibility for medical care under this section by virtue of becoming entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.), has exhausted any such benefits shall regain eligibility for medical care under this section and shall not thereafter lose such eligibility under this section by virtue of becoming again eligible for such benefits.".

REPORT EXTENSION

SEC. 6. Section 620A(f) is amended by striking out "March 31, 1983," and "September 30, 1982," and inserting in lieu thereof "March 31, 1984," and "September 30, 1983,", respectively.

TECHNICAL AMENDMENT

SEC. 7. Section 643 is amended by striking out "of any war".

STATE VETERANS HOME GRANTS

SEC. 8. Section 5033(a) is amended by striking out "the fiscal years ending September 30, 1981, and September 30, 1982" and inserting in lieu thereof "each of the six succeeding fiscal years".

MEDICAL INFORMATION EXCHANGE WITH STATE HOMES

SEC. 9. Section 5054(b) is amended by inserting before the period at the end of the first sentence "(including State home facilities furnishing domiciliary, nursing home, or hospital care to veterans)".

REGULATIONS FOR SPECIAL PERSONNEL AUTHORITIES

SEC. 10. (a) Not later than ninety days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall publish in the Federal Register, for public review and comment for a period not to exceed sixty days, proposed regulations for the implementation of (1) the authority provided in subsection (e)(10) of section 4107 of title 38, United States Code (as amended by section 3(1) of this Act), to increase amounts and extend periods of additional pay, and (2) the authority provided in subsection (g) of such section to increase rates of basic pay.

(b) Not later than two hundred and ten days after the date of the enactment of this Act, the Administrator shall publish in the Federal Register final regulations pursuant to which such authorities will be implemented.

EFFECTIVE DATES

SEC. 11. (a) Except as provided in subsection (b), the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) The amendments made by section 5 shall take effect on October 1, 1982.

Amend the title so as to read: "A bill to amend title 38, United States Code, to enhance recruitment and retention of nurses and other health-care personnel in the Veterans' Administration, to improve the Veterans' Administration health professional scholarship program and certain other aspects of Veterans' Administration health-care programs, and to extend certain expiring Veterans' Administration health-care programs; and for other purposes.".

APPENDIX C

[From the Congressional Record, Vol. 128, No. 115, pp. S11060–S11070—Senate, August 20, 1982]

VETERANS' ADMINISTRATION HEALTH-CARE PROGRAMS IMPROVEMENT AND EXTENSION ACT OF 1982

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 6350.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate to the bill (H.R. 6350) entitled "An Act to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide that Veterans' Administration nurses who work two twelve-hour regularly scheduled tours of duty over a weekend shall be considered to have worked a full basic workweek, and for other purposes", with the following amendments:

In lieu of the matter proposed to be inserted by the amendment to the text of the bill, insert:

SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE

SECTION 1. (a) This Act may be cited as the "Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982".

(b) Except as otherwise expressly provided, whenever in this Act an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

PAY AND WORK SCHEDULES FOR NURSES AND CERTAIN OTHER HEALTH-CARE PERSONNEL

SEC. 2. (a) Paragraph (10) of section 4107(e) is amended to read as follows:

"(10)(A) Notwithstanding any other provision of law but subject to subparagraphs (B) and (C) of this paragraph, if the Administrator determines it to be necessary in order to obtain or retain the services of nurses, the Administrator—

"(i) may increase the rates of additional pay authorized under paragraphs (2) through (8) of this subsection; and

"(ii) may extend the period for which additional pay authorized under paragraph (3) of this subsection is paid to include part or all of a tour of duty any part of which is within the period commencing at midnight Friday and ending at midnight Saturday.

"(B) An increase under subparagraph (A)(i) of this paragraph in rates of additional pay (i) may be made at any specific Veterans' Administration health-care facility in order to provided nurses, or any category of nurses, at such facility additional pay in an amount competitive with, but not exceeding, the amount of the same type of pay that is paid to the same category of nurses at non-Federal health-care facilities in the same geographic area as such Veterans' Administration health-care facility (based upon a reasonably representative sampling of such non-Federal facilities) and (ii) may be made on a nationwide, local, or other geographic basis if the Administrator finds that such an increase is justified on the basis of a review of the need for such increase (based upon a reasonably representative sampling of non-Federal health-care facilities in the geographic area involved).

"(C)(i) An extension under subparagraph (A)(ii) of this paragraph of the period for which additional pay may be paid under paragraph (3) of this subsection may be made on a nationwide, local, or other geographic basis. Any such extension shall be based on a determination by the Administrator that such extension is justified on the basis of a review of the need for such extension in such geographic area.

"(ii) The rates of additional pay payable pursuant to an extension under such subparagraph shall be established as a percentage of the applicable hourly rates of basic pay. Such rates of additional pay may not exceed the lesser of (I) the percentage of such hourly rates of basic pay that the Administrator determines is necessary to be paid within the geographic area involved in order to obtain or retain the services of nurses, and (II) the percentage provided for in paragraph (3) of this subsection of the applicable hourly rate of basic pay.".

(b) Section 4107(f) is amended by striking out "paragraphs (2) through (8) of".

(c) Section 4107 is amended by adding at the end the following new subsection:

"(h)(1) Notwithstanding any other provision of law but subject to paragraph (2) of this subsection, if the Administrator determines it to be necessary in order to obtain or retain the services of nurses at any Veterans' Administration health-care facility, the Administration may provide, in the case of nurses appointed under this subchapter and employed at such facility, that such nurses who work two regularly scheduled 12-hour tours of duty within the period commencing at midnight Friday and ending at midnight the following Sunday shall be considered for all purposes (except computation of full-time equivalent employees for the purposes of determining compliance with personnel ceilings) to have worked a full 40-hour basic workweek.

"(2)(A) Basic and additional pay for a nurse who is considered under paragraph (1) of this subsection to have worked a full 40-hour basic workweek shall be subject to subparagraphs (B) and (C) of this paragraph.

"(B) The hourly rate of basic pay for such a nurse for service performed as part of a regularly scheduled 12-hour tour of duty within the period commencing at midnight Friday and ending at midnight the following Sunday shall be derived by dividing the nurse's annual rate of basic pay by one thousand two hundred and forty-eight.

"(C)(i) Such a nurse who performs a period of service in excess of such nurse's regularly scheduled two 12-hour tours of duty is entitled to overtime pay under subsection (e)(5) of this section, or other applicable law, for officially ordered or approved service performed in excess of eight hours on a day other than a Saturday or Sunday or in excess of 24 hours within the period commencing at midnight Friday and ending at midnight the following Sunday.

"(ii)(I) Except as provided in subdivision (II) of this division, a nurse to whom this paragraph is applicable is not entitled to additional pay under subsection (e) of this section, or other applicable law, for any period included in a regularly scheduled 12-hour tour of duty.

"(II) If the Administrator determines it to be further necessary in order to obtain or retain the services of nurses at a particular facility, a nurse to whom this paragraph is applicable who performs service in excess of such nurse's regularly scheduled two 12-hour tours of duty may be paid overtime pay under subsection (e)(5) of this section, or other applicable law, for all or part of the hours of officially ordered or approved service performed by such nurse in excess of 40 hours during an administrative workweek.

"(3) A nurse described in paragraph (2)(A) of this subsection who is absent on approved sick leave or annual leave during a regularly scheduled 12-hour tour of duty shall be charged for such leave at a rate of five hours of leave for three hours of absence.

"(4) The Administrator shall prescribe regulations for the implementation of this subsection.".

(d)(1) Not later than 120 days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall publish in the Federal Register, for public review and comment for a period of not to exceed sixty days, proposed regulations for the implementation of subsection (e)(10) of section 4107 of title 38, United States Code (as amended by subsection (a) of this section), subsection (g) of such section, and subsection (h) of such section (as added by subsection (c) of this section).

(2) Not later than 300 days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall publish in the Federal Register final regulations for the implementation of such subsections.

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

SEC. 3. (a) Section 4142 is amended—

(1) in subsection (a)—

(A) by striking out "full-time" in clause (1); and

(B) by adding below clause (4) the following new sentences: "To be accepted as a participant in the Scholarship Program, an individual must be accepted for enrollment or be enrolled (as described in clause (1) of this subsection) as a full-time student, except that an individual who is a Veterans' Administration employee described in subsection (g)(1) of this section may be accepted as a participant if accepted for enrollment or enrolled (as described in clause (1) of this subsection) for study on less than a full-time but not less than a half-time basis. (Such a participant is hereinafter in this subchapter referred to as a 'part-time student'.)";

(2) in subsection (e)(1)(A)(i), by inserting "(or in a case in which an entension is granted under subsection (g)(3) of this section, the number of school years provided for as the result of such extension)" after "years";

(3) in subsection (e)(1)(B)—

(A) by inserting "(to be reduced, in the case of a participant who is a part-time student, in accordance with the proportion that the number of credit hours carried by such participant in any such school year bears to the number of credit hours required to be carried by a full-time student in the course of training being pursued by the participant)" in division (iv)(I) after "Scholarship Program";

(B) by striking out "years; and" in division (iv)(II) and inserting in lieu thereof "years (or, in the case of a participant who is a part-time student, one calendar year);";

(C) by inserting "and" at the end of division (v); and

(D) by adding at the end of the following new division:

"(vi) in the case of a participant who is a part-time student, to maintain employment, while enrolled in such course of training, as a Veterans' Administration employee permanently assigned to a Veterans' Administration health care facility;";

(3) in subsection (f)—

(A) by inserting a comma and "except that a stipend may not be paid to a participant who is a full-time employee of the Veterans' Administration and the stipend of a participant who is a part-time student shall be adjusted as provided in subsection at the end of paragraph (1)(B); and

(B) by inserting "maximum" after "The" in paragraph (3); and

(4) by redesignating subsections (g), (h), and (i) as subsections (h), (i), and (j), respectively;

(5) by inserting after subsection (f) the following new subsection (g):

"(g)(1) to be accepted as a participant as a part-time student, and individual must be a full-time Veterans' Administration employee permanently assigned to a Veterans' Administration health-care facility on the date on which such individual submits the application referred to in subsection (a)(2) of this section and on the date on which such individual becomes a participant in the Scholarship Program.

"(2) If a participant in the Scholarship Program is awarded a scholarship as a part-time student—

"(A) the maximum amount of the stipend payable to such participant under subsection (f)(1)(B) of this section shall be reduced in accordance with the proportion that the number of credit hours carried by such participant bears to the number of credit hours required to be carried by a full-time student in the course of training being pursued by the participant; and

"(B) a stipend may not be paid to such participant under such subsection for any month during which such participant is not actually attending the course of training in which such participant is enrolled.

(3) In the case of a participant who is a part-time student, the Administrator may extend the scholarship award period to a maximum of six school years if the Administrator determines that such an extension would be in the best interest of the United States."; and

(6) in subsection (h) (as redesignated by clause (4))—

(A) by inserting "by virtue of their participation in such program (1)" after "Program shall not";

(B) by striking out "and shall not" and inserting in lieu thereof a comma and "or (2)";

(C) by striking out "employment" and inserting in lieu thereof "personnel"; and

(D) by striking out "while they" and all that follows through "clinical training".

(b)(1) Section 4143(b) is amended—

(A) by inserting "who is a full-time student or the date described in paragraph (5) of this subsection with respect to a participant who is a part-time student" in paragraph (1) after "Scholarship Program";

(B) by amending paragraph (2) to read as follows:

"(2) As soon as possible after the applicable date described in paragraph (3) of this subsection or provided for under paragraph (5) of this subsection, the Administrator shall—

"(A) in the case of a participant who is not a full-time employee in the Department of Medicine and Surgery, appoint such participant as such an employee; and

"(B) in the case of a participant who is such an employee but is not serving in a position for which such participant's course of training prepared such participant, assign such participant to such a position.";

(C) in paragraph (3)(B) by inserting "the later of (i) the date upon which the participant completes such participant's course of training, or (ii)" after "is"; and

(D) by adding at the end the following new paragraph:

"(5) The Administrator shall by regulation prescribe the date for the beginning of the period of obligated service of a participant who was a part-time student. Such regulations shall prescribe terms as similar as practicable to the terms set forth in paragraph (3) of this subsection.".

"(2) Section 414(c) is amended to read as follows:

"(c)(1) Except as provided in paragraph (2) of this subsection, a participant in the Scholarship Program shall be considered to have begun serving such participant's period of obligated service—

"(A) on the date, after such participant's course completion date, on which such participant (in accordance with subsection (a) of this section) is appointed under this chapter as a full-time employee in the Department of Medicine and Surgery; or

"(B) if the participant is a full-time employee in the Department of Medicine and Surgery on such course completion date, on the date thereafter on which such participant is assigned to a position for which such participant's course of training prepared such participant.

"(2) A participant in the Scholarship Program who on such participant's course completion date is a full-time employee in the Department of Medicine and Surgery serving in a capacity for which such participant's course of training prepared such participant shall be considered to have begun serving such participant's period of obligates service on such course completion date.

"(3) For the purposes of this subsection, the term 'course completion date' means the date on which a participant in the Scholarship Program completes such participant's course of training under the program.".

(c) Section 4144(b) is amended—

(1) in clauses (1) and (2), by striking out the semicolon at the end and inserting in lieu thereof a comma;

(2) by striking out the semicolon and "or" at the end of clause (3) and inserting in lieu thereof a comma;

(3) by striking out the semicolon at the end of clause (4) and inserting in lieu thereof a comma and "or"; and

(4) by inserting after clause (4) the following new clause:

"(5) in the case of a participant who is a part-time student, fails to maintain employment, while enrolled in the course of training being pursued by such participant, as a Veterans' Administration employee permanently assigned to a Veterans' Administration health-care facility.".

CONTRACT CARE IN PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 4. Section 601(4)(C)(v) is amended by striking out "September 30, 1982," and inserting in lieu thereof "September 30, 1983,".

RESTORATION OF CHAMPVA ELIGIBILITY FOR CERTAIN MEDICARE BENEFICIARIES

SEC. 5. (a) Section 613 is amended by adding at the end the following new subsection:

"(d) Notwithstanding the second sentence of section 1086(c) of title 10 or any other provision of law, any spouse, surviving spouse, or child who, after losing eligibility for medical care under this section by virtue of becoming entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.), has exhausted any such benefits shall become eligible for medical care under this section and shall not thereafter lose such eligibility under this section by virtue of becoming again eligible for such hospital insurance benefits.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1982.

EXTENSION FOR REPORT ON ALCOHOL AND DRUG DEPENDENCE AND ABUSE PILOTS PROGRAM

SEC. 6. Section 620A(f) is amended by striking out "March 31, 1983," and "September 30, 1982," and inserting in lieu thereof "March 31, 1984," and "September 30, 1983,", respectively.

TECHNICAL AMENDMENT RELATING TO PAYMENTS TO STATE VETERANS' HOMES

SEC. 7. Section 643 is amended by striking out "of any war".

AUTHORIZATION OF APPROPRIATIONS FOR GRANTS TO STATE VETERANS' HOMES

SEC. 8. The first sentence of section 5033(a) is amended to read as follows: "There is hereby authorized to be appropriated $15,000,000 for fiscal year 1980 and such sums as may be necessary for fiscal year 1981 and for each of the five succeeding fiscal years.".

EXCHANGE OF MEDICAL INFORMATION WITH STATE VETERANS' HOMES

SEC. 9. Section 5054(b) is amended by inserting "(including State home facilities furnishing domiciliary, nursing home, or hospital care to veterans)" before the period at the end of the first sentence.

REPORT ON THE USE OF FLEXIBLE AND COMPRESSED WORK SCHEDULES BY THE VETERANS' ADMINISTRATION

SEC. 10. Not later than July 1, 1984, the Administrator of Veterans' Affairs shall submit to Congress a report on the results of the use of flexible and compressed work schedules by the Veterans' Administration. Such report shall include (1) an evaluation of the effects of the use of such schedules on the recruitment and retention of Veterans' Administration employees, on such employees' productivity and morale, and on such employees' effectiveness in carrying out the missions of the Veterans' Administration, and (2) such recommendations for administrative or legislative action, or both, as the Administrator considers appropriate in light of the need for and use of flexible and compressed work schedules by the Veterans' Administration.

In lieu of the amendment of the Senate to the title of the bill, amend the title so as to read. "An Act to amend title 38, United States Code, to enhance recruitment and retention by the Veterans' Administration of nurses and certain other health-care personnel, to improve the Veterans' Administration Health Professional Scholarship Program and certain aspects of other Veterans' Administration health-care programs, and to extend certain expiring Veterans' Administration health-care programs; and for other purposes.".

Mr. SIMPSON. Mr. President, this measure is before the Senate now as a privileged matter in lieu of the formal conference report.

Mr. President, I strongly urge final passage of H.R. 6350, the Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982. The legislation pending before us today is the result of a compromise reached by the House and Senate Veterans' Affairs Committees in an excellent bipartisan effort that reflects our important commitment to meeting the needs of our Nation's veterans, especially through the provision of quality medical care. I greatly enjoy working with the House's "Mr. Chairman," Sonny Montgomery. The various provisions of the bill are designed to improve the quality, scope, and efficiency of the Veterans' Administration's health-care system.

On April 15, 1982, as chairman of the Senate Committee on Veterans' Affairs, I introduced S. 2385. As introduced, S. 2385 would have amended the Veterans' Administration's health professional scholarship program to provide scholarship assistance to VA-employed nurses attending school on a part-time basis, and to permit funds appropriated for the health scholarship program for fiscal year 1982 to be used until expended.

On April 15, 1982, at the request of the administration, I also introduced S. 2383 and S. 2384. As introduced, S. 2383 would have extended, for 4 years, the VA's authority to provide construction grants to State veterans' homes. S. 2384 would have extended, for 1 year, the VA's authority to provide contract hospital care for certain veterans in Puerto Rico and the Virgin Islands.

On April 21, 1982, the committee held a hearing on these bills and a number of other measures and, on May 28, 1982, the committee voted to report favorably S. 2385, with an amendment in the nature of a committee substitute and a title amendment. S. 2385, as reported, consists of provisions derived with modifications from S. 2383, S. 2384, S. 2385, and S. 2389.

I am most pleased that the compromise agreement, H.R. 6350, contains all of the major provisions of S. 2385, with some modifications. A number of these provisions are targeted toward improving the recruitment and retention of VA nurses.

The compromise agreement modifies the VA health professional scholarship program to allow VA nurses who are employed full time at the time of their application and notification of their acceptance, to participate in the scholarship program on a part-time basis. This provision was designed to reward those VA employees whose dedication and commitment to the agency have been established by providing an alternative to attending school full time. Many VA nurses have expressed a strong desire for this program extension, noting that due to a financial need or family responsibility, going to school full time would result in a hardship, which in many instances, would result in an inability to participate in the scholarship program. The nurses who are currently VA employees deserve this added incentive to improve their educational and career opportunities.

Other provisions in this bill are intended to provide added recruitment incentives for registered nurses in the VA's Department of Medicine and Surgery. These incentives are greatly needed in order for the VA to be able to compete with private sector hospitals in the hiring and retention of nursing personnel. The ratio of nurses to patients has a direct impact on the quality of patient care in VA hospitals. Over the past several years the nursing shortage and other factors have caused some hospital wards to be closed. It has also resulted in poor morale among many VA nurses who have tried to remain loyal throughout this difficult period of shortages of professional nursing staff.

These various improvements designed to spur recruitment include provisions that would give the Administrator discretionary authority to extend, on a nationwide, local or other geographic basis, the period for which additional pay may be paid—to include some or all of a tour that begins or ends on a Saturday. They would also authorize the Administrator—but only when absolutely necessary to recruit nurses—whithin specific limitations, to provide that a nurse may work two regularly scheduled 12-hour tours of duty during a weekend, and have such service be considered as a full 40-hour workweek. This is referred to in some contexts as the "Baylor plan."

Mr. President, I look forward to the implementation of the provisions of this legislation which are designed to aid in the recruitment and retention of VA health care personnel. The provision of quality health care, especially to veterans suffering from service-connected disabilites, is one of the most important missions of the VA.

A description of other provisions in this bill, as well as a more detailed explanation of the provisions I have just described, will follow in the text of the explanatory statement. I ask that this explanatory statement be printed at the end of my remarks.

Mr. SIMPSON. In conclusion, Mr. President, I wish to sincerely thank the distinguished ranking member from California, Senator Cranston, for his usual patient and invaluable assistance throughout the entire process of drafting this bill and reaching a very equitable compromise, and all other members of the committee, who are cosponsors of this measure, as are Senators Cohen and Burdick.

In addition, I should like to recognize and thank the very able members of the majority staff for their efforts: Tom Harvey, chief counsel and staff director; Julie Susman; Koreen Kelleher, a valuable former member of the staff; Laurie Altemose, Becky Hucks, and Kay Eckhardt; our editorial director, Harold Carter; as well as the capable members of the minority staff: Jonathan Steinberg, Ed Scott, Bill Brew, Katy Burdick, and Ingrid Post. The hard work and cooperation of my most capable and effective counterpart on the House Veterans' Affairs Committee, G. V. "Sonny" Montgomery, and his hard-working, capable staff, headed by Mack Fleming, were essential to the achievement of what I feel to be an equitable compromise.

Mr. President, at this time I would urge that my colleagues join me in assuring the Senate's favorable consideration of this bill.

The explanatory statement follows:

EXPLANATORY STATEMENT ON HOUSE BILL, SENATE AMENDMENT (S. 2385), AND COMPROMISE AGREEMENT ON H.R. 6350, THE "VETERANS' ADMINISTRATION HEALTH-CARE PROGRAMS IMPROVEMENT AND EXTENSION ACT OF 1982"

PAY AND WORK SCHEDULES FOR NURSES AND CERTAIN OTHER HEALTH-CARE PERSONNEL

Both the House bill (section 1) and the Senate amendment (section 3) would amend subsection (e) of present section 4107 of title 38, United States Code, relating to rates of additional pay for registered nurses and (by virtue of subsection (f)) certain other health-care personnel employed in VA facilities under title 38, to give the Administrator discretionary authority, under paragraph (3) of that subsection, to extend on a nationwide, local, or other geographic basis the period for which additional pay is paid under that paragraph for certain work on a weekend—presently limited to a period of work that occurs at least in part on a Sunday.

The House bill would have amended present paragraph (3) to authorize the Administrator to provide additional pay, at a rate of up to 25 percent of the applicable basic hourly rate, for each hour of service on a tour any part of which is on a Saturday. Under the House bill, the Administrator would set the rate of such additional pay within a geographic area at a percentage, up to 25 percent, that the Administrator considers necessary to retain and recruit adequate nursing staff in that area.

The Senate amendment would have amended present paragraph (10), relating to the Administrator's authority to modify rates of additional pay, to authorize the Administrator to provide additional pay at a rate of 25 percent of the applicable basic hourly rate, the rate set forth in present paragraph (3)—for some or all of a tour that occurs on a Saturday. Under the Senate amendment, the authority would be available when its use is justified on the basis of a review of the need for it.

The compromise agreement (section 2(a)) contains a provision that would amend paragraph (10) of present subsection (e) to provide the Administrator with discretionary authority to extend, on a nationwide, local, or other geographic basis, the period for which additional pay is paid under paragraph (3) to include some or all of a tour that occurs at least in part on a Saturday. The authority would be available if the Administrator has determined that its use is necessary for recruitment and retention purposes and that the extension is justified on the basis of a review of the need for it in the geographic area involved. The rate of such additional pay for "Saturday" work would be set at a rate determined necessary for recruitment and retention purposes but not in excess of the percentage rate specified in paragraph (3)—25 percent under current law. As noted above, the Administrator has discretionary authority under paragraph (10) to increase that percentage. Such increase may be made where necessary for recruitment and retention purposes, and where the percentage has been increased, the higher limitation on additional pay for "Saturday" work.

The Senate amendment (section 3(1)), but not the House bill, would have further amended paragraph (10) to provide that any discretionary increase under that paragraph in rates of additional pay may be made on a nationwide, local, or other geographic basis, provided that the increase in justified by a specified review of the need for it.

The compromise agreement (section 2(a)) contains this provision and a provision (section 2(b)) amending subsection (f) of section 4107, relating to the general applicability of the additional-pay provisions in subsection (e) to physician assistants or expanded-function dental auxiliaries or both, to clarify that the provisions of subsection (e)(10) are applicable to these categories of personnel (that is, may be applied, as a matter of the Administrator's discretion, in the case of either category or both), based on the individual justification therefor.

Both the House bill (section 1) and the Senate amendment (section 3) would have further amended present section 4107, relating to the pay of VA Department of Medicine and Surgery (DM&S) personnel employed under the DM&S title 38 personnel system, to authorize the Administrator, when necessary to recruit or retain registered nurses in DM&S, subject to specified limitations relating to rates of pay and computations of leave, to provide that a nurse may work two regularly-scheduled twelve-hour tours of duty during a weekend and have such service be considered a full forty-hour workweek.

The compromise agreement (section 2(c)) contains a provision derived from these provisions.

The House bill would have limited eligibility for participation in the "Baylor plan" program to VA nurses appointed under section 4104 of title 38, all of whom are permanent VA employees. The Senate amendment would have permitted all nurses appointed under subchapter I of chapter 73 to participate in the program, thereby making possible the participation of temporary as well as permanent VA employees.

The compromise agreement would allow all VA nurses appointed under subchapter I to participate in the program. In adopting this approach, the Committee stress that they intend and expect that, to the extent that the use of this authority for weekend scheduling is necessary, the "Baylor plan" opportunity will first be offered to permanent employees and that it will be offered to temporary employees only as a last resort in order to obtain adequate nurse staffing.

Under the House bill, a nurse working such a weekend schedule—a so-called "Baylor plan" Schedule—would be entitled to additional pay under subsection (e)(5) of present section 4107, relating to additional pay for overtime service, when the nurse's total officially ordered or approved services is in excess of either fifty-two hours during his or her administrative workweek (the period from Sunday to Saturday), eight hours on a day other than a Saturday or Sunday, or twelve hours on a Saturday or Sunday. Under the Senate amendment, such a nurse would be entitled to additional pay under subsection (e)(5) when the total officially ordered or approved service is in excess of either forty hours during the nurse's administrative workweek, eight hours on a day other than a Saturday or Sunday, or twenty-four hours within the weekend period during which the two regularly-scheduled twelve hour tours of duty are worked.

The compromise agreement would specify that additional pay for "Baylor-plan" nurses would with certain exceptions, be paid in accordance with the provisions of current law—section 4107(e) for permanent employees and, for temporary employees, section 4114(a), which authorizes temporary and part-time appointments and the administrative establishment of pay rates for those with such appointments. Thus, a "Baylor-plan" nurse would generally be entitled to overtime pay only for officially ordered or approved service that is in excess of eight hours on a day other than a Saturday or Sunday or in excess of twenty-four hours on a weekend, and would not be eligible for "night differential" pay (under section 4107(e)(2)) for tours beginning during the period between 6 P.M. and 6 A.M. on a Saturday or Sunday, for "holiday" pay (under section 4107(e)(4)) when a holiday occurs on a Saturday or Sunday, or—except as described in the next sentence of this discussion—for overtime pay (under section 4107(e)(5)) for work in excess of forty hours in an administrative workweek. However, if the Administrator determines it to be further necessary in order to obtain or retain the services of nurses so as to obtain or retain the services of nurses so as to obtain adequate staffing at a particular facility, a "Baylor-plan" nurse may be paid additional pay for service in excess of forty hours—or in excess of such number of hours over 40 that the Administrator determines with respect to that facility—in an administrative workweek.

REGULATIONS FOR IMPLEMENTATION OF CERTAIN SPECIAL PERSONNEL AUTHORITIES

The Senate amendment (section 10), but not the House bill, would require the Administrator, within 90 days after the date of enactment, to publish in the Federal Register, for a 60-day public-review and comment period, proposed regulations for the implementation of the discretionary authorities in section 4107(e)(10) (as proposed to be amended in part by section 2 of the compromise agreement) to increase rates of additional pay and (as proposed to be added by section 2 of the compromise agreement) to extend the period for which additional pay is paid for certain weekend work and the authority in present section 4107(g) to increase rates of basic pay for certain health-care personnel. The Administrator would be required to publish final regulations within 210 days after the date of enactment.

The compromise agreement (section 2(d)) contains this provisions with amendments making this requirement applicable also to the "Baylor plan" regulations under new subsection (h) of section 4107 (as provided to be added by section 2 of the compromise agreement) and extending to 300 days the post-enactment deadline for publication of final regulations to implement all of these authorities.

The Committees note that the deadline for final regulations is extended, upon the VA's request, to ensure that adequate time is provided for the agency fully to take into account the views of all parties. Also, the Committees emphasize that this 300-day period is only a maximum. Thus, the Committees urge that every effort be made to publish final regulations in a lesser period of time.

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

The Senate amendment (section 2), but not the House bill, would amend various provisions in subchapter IV of chapter 73 of title 38, relating to the VA's Health Professional Scholarship Program, to authorize the Administrator to provide scholarship assistance to VA health-care employees attending school on a part-time basis; to clarify that the amount of the stipend to be paid to a participant under the program may be modified so that the Administrator may limit, to tuition reimbursement and a nominal stipend, its payments to a VA employee participating in the scholarship program as a part-time student; to authorize, in the case of part-time students, an up-to-2-year extension of the 4-year limit on scholarships if the extension is in the best interest of the United States and the student maintains an acceptable level of academic standing; and to provide that sums appropriated for the purpose of making payment under the Scholarship Program shall remain available for that purpose until expended.

The compromise agreement (section 3) contains a provision derived from this provision with modifications—to limit the VA employees eligible for scholarship assistance for part-time study to those who are full-time employees when they apply for and are awarded a scholarship; to make a part-time student's scholarship contingent upon continued employment in a VA health-care facility and make the scholarship pay-back requirement (in section 4144(b) of title 38) applicable to a part-time student who fails to maintain such employment; to specify that no stipend may be paid to a full-time VA employee participating in the Scholarship Program; and to delete the provision extending the availability of appropriated funds.

The compromise agreement also contains certain conforming and clarifying amendments. These include amendments that would clarify the Administrator's responsibility (under section 4143(b)(2)) to act promptly with respect to the appointment and assignment of scholarship recipients after they have completed their training (where such action is necessary) so that they may begin to discharge their service obligations without undue delay; would clarify the provision (section 4142(c)) regarding the date on which a period of obligated service begins so as to specify, in the case of a scholarship recipient who is also a VA employee, that the period begins as soon as that individual has completed training and is appointed or assigned as a full-time employee in the Department of Medicine and Surgery in a position for which the training prepared him or her; and would make certain conforming changes in the provisions (section 4142(e)) specifying what must be included in the written contract between the Administrator and a scholarship recipient.

With respect to VA employee participation in the Scholarship Program, the Committees note their very view that the first preference should be given to those VA employees who, by the length and quality of their VA service, have demonstrated their commitment to the agency. In this way, the Scholarship Program can promote retention not only through the requirement of a period of obligated service in return for scholarship assistance but also through the use of such assistance as a reward for continuity of service to the agency.

With reference to the requirement that VA employees be working on a full-time basis at the time of application and award, the Committees note that this requirement is intended to allow a full-time employee the option to apply to the VA for conversion to part-time service after being notified of the award of a scholarship and beginning the training course. As to the possibility of making the program available to applicants who are working in the VA on a part-time basis, the Committees note that the Scholarship Program is just now about to be implemented and that they intend to follow closely the award of scholarships to full-time employees. After experience has been gained in that regard, the Committees will give further consideration to the need for and desirability of legislation authorizing the award of scholarships to part-time VA employees.

With respect to the provision that would make funds appropriated for the program available until expended, this provision was not included in the compromise agreement in response to the request of the Appropriations Committees. In this connection, the VA has assured the Veterans' Affairs Committees that the $4 million appropriated for this program for fiscal year 1982 in the VA's medical administration and miscellaneous operating expenses (MAMOE) account will be fully obligated by September 30, 1982. With respect to future appropriations, the Veterans' Affairs Committees understand, as a result of staff discussions, that the Appropriations Committees will specifically take into account the need for the extended availability, beyond a single fiscal year, of funds made available for this program.

The Veterans' Affairs Committees are satisfied that, with these understandings, the duration of the availability of funding for the Scholarship Program will receive appropriate attention and that there is, therefore, no need to amend title 38 to extend the availability of appropriated funds for the program.

CONTRACT CARE IN PUERTO RICO AND THE VIRGIN ISLANDS

Both the House bill (section 2) and the Senate amendment (section 4(2)) would amend present section 601(4)(C)(v) of title 38, relating to the Administrator's authority to provide hospital care and medical services in certain noncontiguous "States" (defined in present section 101(20) to include United States Territories and possessions and the Commonwealth of Puerto Rico), to extend for one year—from September 30, 1982, until September 30, 1983—the VA's contract authority, in Puerto Rico and the Virgin Islands and other Territories and possessions of the United States, to provide hospital care for non-service-connected disabilities and such medical-care services as will obviate the need for hospital admission for such disabilities.

The compromise agreement (section 4) contains this provision.

The Committees notes that this is the second, consecutive short-term extension—the first having been enacted on November 3, 1981, in Public Law 97-72—of this authority to provide certain fee-for-service care in Puerto Rico and the Virgin Islands, and that it is likely that further extension will be required before a permanent approach to providing appropriate and cost-effective health care to veterans in those locations can be developed. In order to move toward such an approach as quickly as is possible, the Committees consider it imperative that the VA take immediate steps to develop a comprehensive plan for providing such care and, to the extend that new construction is involved, prepare the needed project or projects for inclusion in the President's budget.

In order to be able to evaluate the VA's proposal in this regard prior to the time that a further, short-term extension of the fee-basis authority is required, the Committees direct that by December 1, 1982, the agency provide them with a specific, detailed proposal, including any construction project that the VA considers necessary, pertaining to health care for eligible veterans in Puerto Rico and the Virgin Islands and, most particularly, for meeting the health-care needs of those veterans included in that population who have service-connected disabilities.

RESTORATION OF CHAMPVA ELIGIBILITY FOR CERTAIN MEDICARE BENEFICIARIES

The Senate amendment (section 5), but not the House bill, would amend present section 613 of title 38, relating to eligibility for medical care through the CHAMPVA program for the survivors and dependents of certain severely disabled service-connected disabled veterans, to provide for a reinstatement of CHAMPVA eligibility if an individual, after losing CHAMPVA eligibility by virtue of becoming eligible for hospital insurance benefits under part A of Medicare, exhausts some or all such Medicare eligibility.

The compromise agreement (section 5) contains this provision.

The Committees note that an amendment was enacted last year in Public Law 97-72 (section 105) to section 613(b) to facilitate the treatment in VA facilities of individuals eligible for health care through the CHAMPVA program where the use of those facilities for CHAMPVA beneficiaries would not interfere with the care or treatment of any eligible veteran. In this regard, the Committees urge that, to the extent feasible and with a view toward optimal utilization of VA health-care facilities, the VA use this authority as much as possible with respect to those whose eligibility would be restored under the compromise agreement as well as current CHAMPVA beneficiaries.

EXTENSION FOR REPORT ON ALCOHOL AND DRUG DEPENDENCE AND ABUSE PILOT PROGRAM

The Senate amendment (section 6), but not the House bill, would amend subsection (f) of present section 620A of title 38, relating to the Administrator's report to the Committees on the pilot program of alcohol and drug treatment and rehabilitation being conducted under that section, to extend by one year both the due date of the report—from March 31, 1983, to March 31, 1984—and the end date of the period of pilot program operations to be covered in the report—from September 30, 1982, to September 30, 1983.

The compromise agreement (section 6) contains this provision.

TECHNICAL AMENDMENT RELATING TO PAYMENTS TO STATE VETERANS' HOMES

The Senate amendment (section 7), but not the House bill, would amend present section 643 of title 38, relating to payments to State veterans' homes for care provided to eligible veterans, to strike an anachronistic reference to service during a period of war as an eligibility factor for such payments. This would conform section 643 to section 641, which sets forth the operative criteria for payments by the VA to State veterans' homes.

The compromise agreement (section 7) contains this provision.

AUTHORIZATION OF APPROPRIATIONS FOR GRANTS TO STATE VETERANS' HOMES

Both the House bill (section 3) and the Senate amendment (section 8) would amend present section 5033(a) of title 38, relating to the authorization of appropriations for matching-fund grants to States for the construction of State veterans' home domiciliary and nursing-home facilities and to expand, remodel, or alter existing buildings for furnishing domiciliary, nursing-home, or hospital care in State veterans' homes, to extend the current authorization of appropriations (at a level of "such sums as may be necessary"). The House bill would extend the authorization for three years (through fiscal year 1985); the Senate amendment would extend the authorization for four years (through fiscal year 1986).

The compromise agreement (section 8) contains a provision to extend the authorization for four years, through fiscal year 1986.

EXCHANGE OF MEDICAL INFORMATION WITH STATE VETERANS' HOMES

The Senate amendment (section 9), but not the House bill, would amend present section 5054(b) of title 38, relating to the discretionary authority to make available to non-VA medical facilities, particularly those near VA facilities in remote areas, VA educational facilities and programs and the VA electronic communications capability linking such VA facilities to major medical centers and to charge a fee for such services, to include an express reference to State veterans' homes as part of the surrounding medical community eligible to participate in such reimbursable medical information programs.

The compromise agreement (section 9) contains this provision.

REPORT ON THE USE OF FLEXIBLE AND COMPRESSED WORK SCHEDULES BY THE VETERANS' ADMINISTRATION

The Senate amendment (section 3(2)), but not the House bill would have further amended section 4107 (see the first part of this statement for discussion of the other amendments), to authorize the Administrator, upon a determination that it is necessary in order to recruit or retain certain specified categories of health-care personnel in DM&S, to permit the use by such personnel, on a nationwide, local, or other geographic basis, of the flexible and compressed work schedules that were described in regulations and guidelines issued by the Office of Personnel Management in order to carry out the Federal Employees Flexible and Compressed Work Schedules Act of 1978, Public Law 95-390. This authority would have been available through fiscal year 1987, and the Administrator would have been required to report to the Congress, not later than four years after the date of enactment, on the results of the use by the VA of such alternative work schedules, both as authorized by this provision and otherwise. The mandated report would include an evaluation of the effects of the use of such schedules on the recruitment and retention of health-care personnel, together with recommendations for administrative or legislative action, or both, based on the VA's use of and need for such schedules.

The compromise agreement does not contain the provision authorizing the VA to utilize such alternative work schedules. In light of recent enactment of Public Law 97-221, the Federal Employees Flexible and Compressed Work Schedules Act of 1982, which provides government-wide authority to utilize alternative work schedules until July 23, 1985, the Committees do not believe that the VA-specific authority proposed in the Senate amendment is needed at this time.

However, because of the Committees' strong interest in the results of the VA's use of this authority, the compromise agreement (section 10) contains a provision, derived from the Senate provision, requiring the Administrator to submit a report—not later than July 1, 1985, one year prior to the expiration of the new government-wide authority—on the VA's experience under that authority. The Committees intend to study that report carefully so that they will be able to assess the VA's use of that authority and to consider again, prior to the expiration of the government-wide authority, the desirability of providing the VA with agency-specific authority.

CONTRACT CARE FOR WOMEN VETERANS

The Senate amendment (section 4(1)), but not the House bill, would amend present section 601(4)(C)(iv) of title 38, relating to the Administrator's authority to provide contract hospital care to women veterans, to expand that authority so as to allow the Administrator to provide, on a fee basis, such outpatient medical services as are needed pre- or post-hospitalization or that would obviate the need for hospital admission for non-service-connected, gender-related disabilities of a woman veteran that the VA itself is not able to treat.

The compromise agreement does not contain his provision. Rather, in light of the expected increase in demand for VA medical services from women veterans in the coming years, the Committees believe that it would be preferable for the agency to build up its in-house staff capacity to meet the gender-related needs of these veterans for outpatient care and are concerned that the new fee-for-services authority proposed in the Senate amendment might discourage that result if enacted. The Committees note that, in those cases in which a particular VA facility does not have the capacity directly to provide such care to an otherwise eligible woman veteran, authorities under two provisions of title 38—section 4117 (authority to contract for service medical specialist services) and section 5053 (authority to enter into agreements for sharing of specialized medical resources)—are available to and should be used by the VA to arrange for furnishing the needed care.

The Committees intend to monitor closely the VA's efforts to meet the health-care needs of the growing population of women veterans and will consider legislative action in the future if that appears necessary.

HOUSE AMENDMENTS TO THE SENATE AMENDMENTS TO H.R. 6350

In lieu of the matter proposed to be inserted by the amendment of the Senate to the text of the bill, insert the following:

SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE

SECTION 1. (a) This Act may be cited as the "Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

PAY AND WORK SCHEDULES FOR NURSES AND CERTAIN OTHER HEALTH-CARE PERSONNEL

SEC. 2. (a) Paragraph (10) of section 4107(e) is amended to read as follows:

"(10)(A) Notwithstanding any other provision of law but subject to subparagraphs (B) and (C) of this paragraph, if the Administrator determines it to be necessary in order to obtain or retain the services of nurses, the Administrator—

"(i) may increase the rates of additional pay authorized under paragraphs (2) through (8) of this subsection; and

"(ii) may extend the period for which additional pay authorized under paragraph (3) of this subsection is paid to include part or all of a tour of duty any part of which is within the period commencing at midnight Friday and ending at midnight Saturday.

"(B) An increase under subparagraph (A)(i) of this paragraph in rates of additional pay (i) may be made at any specific Veterans' Administration health-care facility in order to provide nurses, or any category of nurses, at such facility additional pay in an amount competitive with, but not exceeding, the amount of the same type of pay that is paid to the same category of nurses at non-Federal health-care facilities in the same geographic area as such Veterans' Administration health-care facility (based upon a reasonably representative sampling of such non-Federal facilities), and (ii) may be made on a nationwide, local, or other geographic basis if the Administrator finds that such an increase is justified on the basis of a review of the need for such increase (based upon a reasonably representative sampling of non-Federal health-care facilities in the geographic area involved).

"(C)(i) An extension under subparagraph (A)(ii) of this paragraph of the period for which additional pay may be paid under paragraph (3) of this subsection may be made on a nationwide, local, or other geographic basis. Any such extension shall be based on a determination by the Administrator that such extension is justified on the basis of a review of the need for such extension in such geographic area.

"(ii) The rates of additional pay payable pursuant to an extension under such subparagraph shall be established as a percentage of the applicable hourly rates of basis pay. Such rates of additional pay may not exceed the lesser of (I) the percentage of such hourly rates of basic pay that the Administrator determines is necessary to be paid within the geographic area involved in order to obtain or retain the services of nurses, and (II) the percentage provided for in paragraph (3) of this subsection of the applicable hourly rate of basic pay.".

(b) Section 4107(f) is amended by striking out "paragraphs (2) through (8) of".

(c) Section 4107 is amended by adding at the end the following new subsection:

"(h)(1) Notwithstanding any other provision of law but subject to paragraph (2) of this subsection, if the Administrator determines it to be necessary in order to obtain or retain the services of nurses at any Veterans' Administration health-care facility, the Administrator may provide, in the case of nurses appointed under this subchapter and employed at such facility, that such nurses who work two regularly scheduled 12-hour tours of duty within the period commencing at midnight Friday and ending at midnight the following Sunday shall be considered for all purposes (except computation of full-time equivalent employees for the purposes of determining compliance with personnel ceilings) to have worked a full 40-hour basic workweek.

"(2)(A) Basic and additional pay for a nurse who is considered under paragraph (1) of this subsection to have worked a full 40-hour basic workweek shall be subject to subparagraphs (B) and (C) of this paragraph.

"(B) The hourly rate of basic pay for such a nurse for service performed as part of a regularly scheduled 12-hour tour of duty within the period commencing at midnight Friday and ending at midnight the following Sunday shall be derived by dividing the nurse's annual rate of basic pay by one thousand two hundred and forty-eight.

"(C)(i) Such a nurse who performs a period of service in excess of such nurse's regularly scheduled two 12-hour tours of duty is entitled to overtime pay under subsection (e)(5) of this section, or other applicable law, for officially ordered or approved service performed in excess of eight hours on a day other than a Saturday or Sunday or in excess of 24 hours within the period commencing at midnight Friday and ending at midnight the following Sunday.

"(ii)(I) Except as provided in subdivision (II) of this division, a nurse to whom this paragraph is applicable is not entitled to additional pay under subsection (e) of this section, or other applicable law, for any period included in a regularly scheduled 12-hour tour of duty.

"(II) If the Administrator determines it to be further necessary in order to obtain or retain the services of nurses at a particular facility, a nurse to whom this paragraph is applicable who performs service in excess of such nurse's regularly scheduled two 12-hour tours of duty may be paid overtime pay under subsection (e)(5) of this section, or other applicable law, for all or part of the hours of officially ordered or approved service performed by such nurse in excess of 40 hours during an administrative workweek.

"(3) A nurse described in paragraph (2)(A) of this subsection who is absent on approved sick leave or annual leave during a regularly scheduled 12-hour tour of duty shall be charged for such leave at a rate of five hours of leave for three hours of absence.

"(4) The Administrator shall prescribe regulations for the implementation of this subsection.".

(d)(1) Not later than 90 days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall publish in the Federal Register, for public review and comment for a period of not to exceed sixty days, proposed regulations for the implementation of subsection (e)(10) of section 4107 of title 38, United States Code (as amended by subsection (a) of this section), subsection (g) of such section, and subsection (h) of such section (as added by subsection (c) of this section).

(2) Not later than 210 days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall publish in the Federal Register final regulations for the implementation of such subsections.

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

SEC. 3. (a) Section 4142 is amended—

(1) in subsection (a)—

(A) by striking out "full-time" in clause (1); and

(B) by adding below clause (4) the following new sentences: "To be accepted as a participant in the Scholarship Program, an individual must be accepted for enrollment or be enrolled (as described in clause (1) of this subsection) as a full-time student, except that an individual who is a Veterans' Administration employee described in subsection (g)(1) of this section may be accepted as a participant if accepted for enrollment or enrolled (as described in clause (1) of this subsection) for study on less than a full-time but not less than a half-time basis. (Such a participant is hereinafter in this subchapter referred to as a 'part-time student'.)";

(2) in subsection (e)(1)(A)(i), in inserting "(or in a case in which an extension is granted under subsection (g)(3) of this section, the number of school years provided for as the result of such extension)" after "years";

(3) in subsection (e)(1)(B)—

(A) by inserting "(to be reduced, in the case of a participant who is a part-time student, in accordance with the proportion that the number of credit hours carried by such participant in any such school year bears to the number of credit hours required to be carried by a full-time student in the course of training being pursued by the participant)" in division (iv)(I) after "Scholarship Program";

(B) by striking out "years; and" in division (iv)(II) and inserting in lieu thereof "years (or, in the case of a participant who is a part-time student, one calendar year);";

(C) by inserting "and" at the end of division (v); and

(D) by adding at the end the following new division;

"(vi) in the case of a participant who is a part-time student, to maintain employment, while enrolled in such course of training, as a Veterans' Administration employee permanently assigned to a Veterans' Administration health-care facility;";

(3) in subsection (f)—

(A) by inserting a comma and "except that a stipend may not be paid to a participant who is a full-time employee of the Veterans' Administration and the stipend of a participant who is a part-time student shall be adjusted as provided in subsection (g)(2) of this section" before the period at the end of paragraph (1)(B); and

(B) by inserting "maximum" after "The" in paragraph (3);

(4) by redesignating subsections (g), (h), and (i) as subsections (h), (i), and (j), respectively;

(5) by inserting after subsection (f) the following new subsection (g):

"(g)(1) To be accepted as a participant as a part-time student, an individual must be a full-time Veterans' Administration employee permanently assigned to a Veterans' Administration health-care facility on the date on which such individual submits the application referred to in subsection (a)(2) of this section and on the date on which such individual becomes a participant in the Scholarship Program.

"(2) If a participant in the Scholarship Program is awarded a scholarship as a part-time student—

"(A) the maximum amount of the stipend payable to such participant under subsection (f)(1)(B) of this section shall be reduced in accordance with the proportion that the number of credit hours carried by such participant bears to the number of credit hours required to be carried by a full-time student in the course of training being pursued by the participant; and

"(B) a stipend may not be paid to such participant under such subsection for any month during which such participant is not actually attending the course of training in which such participant is enrolled.

"(3) In the case of a participant who is a part-time student, the Administrator may extend the scholarship award period to a maximum of six school years if the Administrator determines that such an extension would be in the best interest of the United States."; and

(6) in subsection (h) (as redesignated by clause (4))—

(A) by inserting "by virtue of their participation in such program (1)" after "Program shall not";

(B) by striking out "and shall not" and inserting in lieu thereof a comma and "or (2)";

(C) by striking out "employment" and inserting in lieu thereof "personnel"; and

(D) by striking out "while they" and all that follows through "clinical training".

(b)(1) Section 4143(b) is amended—

(A) by inserting "who is a full-time student or the date described in paragraph (5) of this subsection with respect to a participant who is a part-time student" in paragraph (1) after "Scholarship program";

(B) by amending paragraph (2) to read as follows:

"(2) As soon as possible after the applicable date described in paragraph (3) of this subsection or provided for under paragraph (5) of this subsection, the Administrator shall—

"(A) in the case of a participant who is not a full-time employee in the Department of Medicine and Surgery, appoint such participant as such an employee; and

"(B) in the case of a participant who is such an employee but is not serving in a position for which such participant's course of training prepared such participant, assign such participant to such a position.";

(C) in paragraph (3)(B) by inserting "the later of (i) the date upon which the participant completes such participant's course of training, or (ii)" after "is"; and

(D) by adding at the end the following new paragraph:

"(5) The Administrator shall by regulation prescribe the date for the beginning of the period of obligated service of a participant who was a part-time student. Such regulations shall be as similar as practicable to the terms set forth in paragraph (3) of this subsection.".

(2) Section 4143(c) is amended to read as follows:

"(c)(1) Except as provided in paragraph (2) of this subsection, a participant in the Scholarship Program shall be considered to have begun serving such participant's period of obligated service—

"(A) on the date after such participant's course completion date on which such participant (in accordance with subsection (a) of this section) is appointed under this chapter as a full-time employee in the Department of Medicine and Surgery; or

"(B) if the participant was a full-time employee in the Department of Medicine and Surgery on such course completion date, on the date after such course completion date on which such participant is assigned to a position for which such participant's course of training prepared such participant.

"(2) A participant in the Scholarship Program who on such participant's course completion date is a full-time employee in the Department of Medicine and Surgery serving in a capacity for which such participant's course of training prepared such participant shall be considered to have begun serving such participant's period of obligated service on such course completion date.

"(3) For the purposes of this subsection, the term 'course completion date' means the date on which a participant in the Scholarship Program completes a participant's course of training under the program.".

(c) Section 4144(b) is amended—

(1) by striking out the semicolons at the end of clauses (1) and (2) and inserting in lieu thereof a comma;

(2) by striking out the semicolon and "or" at the end of clause (3) and inserting in lieu thereof a comma;

(3) by striking out the semicolon at the end of clause (4) and inserting in lieu thereof a comma and "or"; and

(4) by inserting after clause (4) the following new clause:

"(5) in the case of a participant who is a part-time student, fails to maintain employment, while enrolled in the course of training being pursued by such participant, as a Veterans' Administration employee permanently assigned to a Veterans' Administration health-care facility.".

CONTRACT CARE IN PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 4. Section 601(4)(C)(v) is amended by striking out "September 30, 1982," and inserting in lieu thereof "September 30, 1983,".

RESTORATION OF CHAMPVA ELIGIBILITY FOR CERTAIN MEDICARE BENEFICIARIES

SEC. 5. (a) Section 613 is amended by adding at the end the following new subsection:

"(d) Notwithstanding the second sentence of section 1086(c) of title 10 or any other provision of law, any spouse, surviving spouse, or child who, after losing eligibility for medical care under this section by virtue of becoming entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.), has exhausted any such benefits shall become eligible for medical care under this section and shall not thereafter lose such eligibility under this section by virtue of becoming again eligible for such hospital insurance benefits.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1982.

EXTENSION FOR REPORT ON ALCOHOL AND DRUG DEPENDENCE AND ABUSE PILOT PROGRAM

SEC. 6. Section 620A(f) is amended by striking out "March 31, 1983," and "September 30, 1982," and inserting in lieu thereof "March 31, 1984," and "September 30, 1983,", respectively.

TECHNICAL AMENDMENT RELATING TO PAYMENTS TO STATE VETERANS' HOMES

SEC. 7. Section 643 is amended by striking out "of any war".

AUTHORIZATION OF APPROPRIATIONS FOR GRANTS TO STATE VETERANS' HOMES

SEC. 8. The first sentence of section 5033(a) is amended to read as follows: "There is hereby authorized to be appropriated $15,000,000 for fiscal year 1980 and such sums as may be necessary for fiscal year 1981 and for each of the five succeeding fiscal years.".

EXCHANGE OF MEDICAL INFORMATION WITH STATE VETERANS' HOMES

SEC. 9. Section 5054(b) is amended by inserting "(including State home facilities furnishing domiciliary, nursing home, or hospital care to veterans)" before the period at the end of the first sentence.

REPORT ON THE USE OF FLEXIBLE AND COMPRESSED WORK SCHEDULES BY THE VETERANS' ADMINISTRATION

SEC. 10. Not later than July 1, 1984, the Administrator of Veterans' Affairs shall submit to Congress a report on the results of the use of flexible and compressed work schedules by the Veterans' Administration. Such report shall include (1) an evaluation of the effects of the use of such schedules on the recruitment and retention of Veterans' Administration employees, on such employees' productivity and morale, and on such employees' effectiveness in carrying out the missions of the Veterans' Administration, and (2) such recommendations for administrative or legislative action, or both, as the Administrator considers appropriate in light of the need for and use of flexible and compressed work schedules by the Veterans' Administration.

In lieu of the amendment of the Senate to the title of the bill, amend the title so as to read: "An Act to amend title 38, United States Code, to enhance recruitment and retention by the Veterans' Administration of nurses and certain other health-care personnel, to improve the Veterans' Administration Health Professional Scholarship Program and certain aspects of other Veterans' Administration health-care programs, and to extend certain expiring Veterans' Administration health-care programs; and for other purposes.".

Mr. CRANSTON. Mr. President, as the ranking minority member of the committee on Veterans' Affairs, I am very pleased to join with the committee chairman, my good friend from Wyoming (Mr. Simpson), in urging the Senate to concur in the House amendment to the Senate amendment to H.R. 6350. The House amendment is a compromise agreed to between the two Veterans' Affairs Committees after extensive discussion and negotiations. This is an important measure that will improve various aspects of the Veterans' Administration health-care programs, primarily by enhancing the agency's ability to recruit and retain registered nurses and other health-care personnel.

BACKGROUND

Mr. President, H.R. 6350 was first passed by the House on June 15, 1982. On June 21, 1982, the Senate took up S. 2385, the proposed "Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982," as reported by the Committee on Veterans' Affairs on June 8. The Senate substituted the provisions of that measure in lieu of the provisions of H.R. 6350 as passed by the House and then passed H.R. 6350, returning it to the House. On August 19, the House of Representatives amended the bill with a substitute which represents a compromise agreement reached by the Veterans' Affairs Committees.

I believe that the measure before the Senate represents an equitable resolution of the differences between the two Houses and fairly vindicates the basic position of the Senate on the various matters addresed by the legislation.

In addition, I am pleased that the compromise agreement includes several provisions that I proposed in S. 2389, legislation that I introduced on April 15, 1982. I am very grateful to our committee chairman (Mr. Simpson) and the chairman (Mr. Montgomery), and ranking minority member (Mr. Hammerschmidt) of our counterpart committee in the House for their cooperation and assistance as we have developed the compromise agreement.

NURSE AND OTHER HEALTH-CARE PERSONNEL

Mr. President, the compromise agreement as it is before the Senate today has a number of provisions that if enacted, will enable the VA to improve its ability to attract and retain health-care personnel, most particularly nurses.

Mr. President, it is vital that the VA be able to compete effectively in the marketplace with other health-care providers for the services of qualified health-care personnel. The heart of the VA's health-care system is the agency's cadre of trained and motivated health-care personnel. Without sufficient, qualified personnel, the VA cannot provide the quality or quantity of health-care services needed by eligible veterans. At present, the greatest problem that the agency is facing in this regard is in the area of registered nurses.

The factual record developed in Veterans' Affairs Committee hearings is clear: There is a genuine shortage of registered nurses across the country and, as non-Federal health-care providers develop and implement innovative approaches to attract nurses, the VA is at a significant competitive disadvantage. Provisions in the compromise agreement—specifically those providing new flexibility to the agency in areas of pay and scheduling for nurses and other health-care personnel and those making improvements to the VA's health professional scholarship program—should help address the agency's recruitment and retention problems.

According to the VA, as of June 30, 1982, there are nearly 400 beds that are out of use because of the nursing shortage. The agency, which had 987 RN vacancies as of that date, would need to hire at least 228 nurses to put the closed beds back into circulation. This legislation will help the VA fill those nurse vacancies and get those beds back into operation.

PAY AND WORK SCHEDULES

Mr. President, the compromise agreement contains two provisions—based on provisions included in the Senate amendment and derived from my bill, S. 2389—that would give the VA greater flexibility to compete in the areas of pay and work scheduling. First, the VA would be given authority to extend the period for which additional pay is paid for service on a weekend so as to include service on a Saturday. Second, the VA would be given authority to use the so-called "Baylor Plan," under which nurses could work two 12-hour shifts during a weekend and generally receive pay and benefits on the same basis as if they had worked 40 hours.

With reference to the new weekend pay authority, the provision in the compromise agreement, if enacted, will enable the agency to be more competitive with non-VA health-care facilities that currently offer additional pay to nurses for the entire weekend. Under the provision in the compromise agreement, the Administrator will have maximum flexibility in terms of specifying the hours on a Saturday for which such additional pay could be paid and the rate of such pay, up to the rate specified in law for work on a Sunday—which is currently a rate of 25 percent of base pay.

I want to emphasize that the exercise of both of these new authorities is discretionary with the Administrator. Neither would be required to be exercised and, in fact, the authorities could be utilized only when determined necessary to improve the agency's ability to recruit or retain needed personnel. Thus, even though the VA is experiencing serious nursing shortages at various locations in the system, it seems likely that neither of these authorities would be used immediately throughout the system. Rather, it is contemplated that the Administrator authorize the use of one or both authorities, as appropriate, at those locations where there are recruitment or retention difficulties because of competitive pressures from non-VA facilities in the same geographic area.

Mr. President, in addition to the provisions I have just outlined relating to new pay and work-scheduling authorities there are several provisions in the compromise agreement—derived from the Senate amendment and S. 2389—relating to certain VA health-care personnel pay authorities enacted in Public law 96-330 in 1980. Under those authorities, the Administrator may, when necessary to recruit or retain certain health-care personnel, modify statutory rates of additional pay—such as for overtime work or work on Sunday or holiday—for nurses on a facility-by-facility basis and modify rates of basic pay for nurses and other VA direct health-care personnel on a local, regional, or nationwide basis. Provisions in the compromise agreement would extend the first authority—the additional-pay authority for nurses—so as to permit modifications to be made on an other-than-local basis.

Also, as to both these authorities, as well as the new authority to utilize "Baylor Plan" scheduling, the Administrator would be required, within 120 days after the date of enactment of the bill, to publish for public review and comment proposed regulations to implement those authorities and, within 300 days after the date of enactment, to publish final regulations. This latter requirement is included in order to promote full and effective use of the various authorities which, in turn, should enhance the agency's ability to compete with private sector health-care facilities. The deadline for these regulations were 90 and 210 days, respectively, in the Senate amendment. The additional time provided in the compromise agreement is for the purpose of enabling the VA to develop proposed regulations and fully to take into account the views of all parties before publishing final regulations. The committees have made clear, however, that they except the VA to work to promulgate the implementing regulations as quickly as possible and not take the full period allowed.

One provision in H.R. 6350 as passed by the Senate relating to pay and scheduling flexibility is not included in the compromise agreement. Under the Senate amendment, as proposed in S. 2389, the Administrator would have been authorized to use flexitime or compressed work schedules, as described in regulations and guidelines that were issued under the Federal Employees Flexible and Compressed Work Schedules Act of 1978, Public Law 95-390, for nurses and other direct health-care personnel. This provision is not included in the compromise agreement. The reason for this deletion—as is discussed more fully in the "Explanatory Statement" that the chairman of the committee (Mr. Simpson) has printed in the RECORD as part of his remarks and which was printed in the RECORD in identical form by the chairman of the House Veterans' Affairs Committee, Representative Montgomery, during the debate on the compromise agreement in the other body—is the recent enactment of Public Law 97-221, the Federal Employees Flexible and Compressed Work Schedules Act of 1982, which provides Government-wide authority to utilize alternative work schedules. However, because of the committees' strong interest in the results of the VA's use of this authority on the agency's recruitment and retention efforts, the compromise agreement includes the Senate provision requiring the Administrator to report, not later than July 1, 1985, on the VA's experience of the Government-wide authority.

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

Mr. President, as I noted earlier, the other aspect of the compromise agreement that should enhance the VA's ability to recruit and retain qualified health-care personnel pertains to the agency's health professional scholarship program.

This program, established in 1980 by Public Law 96-330, is available for use by the VA for physicians, nurses, and certain other health-care personnel, but has been used by the agency thus for only for nurses. Provisions in the compromise agreement, derived from the Senate amendment and S. 2389 as well as S. 2385 as introduced by our distinguished chairman (Mr. Simpson), would enable the VA to permit current full-time employees to participate in the program while continuing to work for the agency on either a full- or part-time basis. This change would allow the program to be used by VA registered nurses who are desirous of pursuing training for a baccalaureate or advanced degree or by other VA health-care personnel, such as licensed practical or vocational nurses, who are interested in pursuing training to become RN's. Such current employees would thus be made eligible for financial assistance from the VA—tuition and stipend assistance for those working on a part-time basis—while pursuing part-time training. At the completion of their training—which would have to be on at least a half-time basis—these employees would be obligated to remain with the VA for further periods.

The legislation as passed by the Senate included a provision that would have provided that funds appropriated for making payments to scholarship program participants would remain available until expended, which would have had the effect of enabling the VA to enter multi-year commitments with program participants and thereby make the scholarship program more attractive to prospective applicants. As is explained in more detail in the "Explanatory Statement" I mentioned earlier, this provision is not included in the compromise agreement. I am satisfied, however, that as a result of the discussions involving staff from the Veterans' Affairs and Appropriations Committees, the need for program stability has been fully recognized by the Appropriations Committees and will be addressed by those committees in future appropriations activity.

CHAMPVA ELIGIBILITY RESTORATION

Mr. President, the compromise agreement contains a provision to ensure continuing Federal health-care eligibility for CHAMPVA beneficiaries—the spouses and children of veterans with total, permanent service-connected disabilities and of those who die from service-connected disabilities or who, at the time of death, had total, permanent service-connected disabilities. Under current law, these family members and survivors lose their CHAMPVA eligibility when they become eligible for medicare and generally lose needed Federal health-care assistance when they exhaust any part of their medicare coverage. Under the compromise agreement, as provided in the Senate amendment and S. 2389, when a former CHAMPVA beneficiary exhausts any of his or her medicare benefits, he or she would again become eligible for CHAMPVA benefits and would not thereafter lose CHAMPVA eligibility by reacquiring medicare eligibility. As a result of this change, such a spouse, surviving spouse, or child previously eligibility for medical care under CHAMPVA would no longer be confronted with the present inequitable situation in which he or she has no Federal health-care coverage.

EXTENSIONS OF CERTAIN EXPIRING AUTHORITIES

Mr. President, the compromise agreement includes provisions to extend two expiring authorities.

These provisions would:

First, extend by 4 years as proposed in the Senate amendment—through fiscal year 1986—the authorization of appropriations for the VA program of matching grants to States to construct, expand, remodel, or alter State veterans' home health-care facilities. State veterans' homes provide a cost-effective alternative to VA facilities for the provision of long-term care to veterans, and I thus consider this extension, highly desirable. With further reference to the State veterans' home program, a provision in the compromise agreement includes, as provided in the Senate amendment an express reference to State veterans' homes as part of the surrounding medical community eligible to participate with the VA in programs through which VA facilities, particularly in remote areas, make available to others in the local medical community, for a fee, VA educational resources and VA electronic communications capability linking such VA facilities to major medical centers.

Second, extend for 1 year—until September 30, 1983—the VA's authority to provide, on a contract basis in Puerto Rico, the Virgin Islands, and other territories of the United States, hospital care for non-service-connected disabilities and outpatient treatment to obviate the need for hospitalization for such disabilities. With reference to this extension of the VA's authority to provide medical care on a contract basis to certain veterans in Puerto Rico and the Virgin Islands, I want to underscore the point made in the "Explanatory Statement" that this extension is a stopgap action and that it is important that a permanent approach to the VA's providing appropriate and cost-effective health care in these two locations be developed expeditiously. The "Explanatory Statement" specifies a December 1, 1982, deadline for the VA to provide the committees with a comprehensive plan on this matter. I will be giving the proposed plan careful consideration as soon as it is submitted.

CONTRACT CARE FOR WOMEN VETERANS

Mr. President, the compromise agreement does not contain a provision that was included in the measure as passed by the Senate that would have authorized the VA to provide certain outpatient care—pre- or post-hospitalization care and care necessary to obviate the need for hospitalization—on a fee-for-service basis for a non-service-connected, gender-relate disability of a woman veteran when the VA is unable to provide appropriate care. As is discussed in more detail in the "Explanatory Statement," this provision is not included in the compromise agreement because of a concern that providing fee-for-service authority might prove counterproductive to the need for the agency to enhance its in-house staff capacity to meet the gender-related needs of women veterans. I want to stress my concern that the existing authorities discussed in the "Explanatory Statement" that an individual VA facility can rely on at present when it does not have a current capacity to provide needed care to an otherwise eligible woman veteran—specifically the authorities in sections 4117 and 5053 of title 38—may result in long delays in certain instances in the provision of needed care to women veterans. In this regard, I will insert in the RECORD a letter, with deletions so as to respect the veteran's privacy interests, which describes the difficulties one woman veteran had in getting care from the VA for what was later discovered to be a serious gynecological disorder. I urge the VA's Chief Medical Director to look into the efforts undertaken around the VA system at present to meet the health-care needs of women veterans so as to insure that otherwise eligible women veterans receive appropriate care for gender-related disabilities on a timely basis.

Mr. President, I ask that the expurgated text of the letter I just mentioned be printed in the Record at this point.

The letter referred to follows:

JULY 15, 1982.

Hon. ALAN CRANSTON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CRANSTON: I am writing this letter in the hopes that your office may be able to shed some light on the problems women who have served in the Armed Forces, and are currently residing at the California Veterans Home, in

Yountville. The problem can best be explained by pointing up one particular case, that of was experiencing what she thought were serious gynecological disorders, and went to the Veterans Home medical facility, requesting a doctor's attention. She was told that there were no Gynecologists on staff and it would benefit her to see a physician at the Veterans Administration Medical Center. She then pursued that avenue and found there were no GYN's in any VA facility in all of Northern California. Palo Alto VAMC did say that they had a GYN on consultation, but it would be months of getting nowhere, the administration at the Veterans Home told her to go to a private doctor in town at her own expense. Fortunately, being retired from the Army, she was entitled to be seen and treated at Letterman Army Hospital. They discovered Cancer, and operated to remove most of it on June 15, 1982. Whether or not the cancer could have been treated if detected earlier may never be known. My concern, as well as is what about the thousands of women in Northern California who may have gynecological problems but do not have the advantage of being retired from the service? Those women who served their country when needed and now may need their country? The women residents of the California Veterans Home, who are being told to wait for the VAMC to get a GYN or go to a Doctor at their own expense, when they barely can afford the essentials?

It is my hope that you may be able to get answers to these questions, answers that might give hope to those veterans who are already feeling rejected by their country, state and Veterans Administration.

As a veteran myself, I have always been pleased with the work and dedication you have shown the veterans of California and the country, and I thank you.

Sincerely,

——— ———,

Assistant, Veteran Service Officer.

CONCLUSION

Mr. CRANSTON. Mr. President, as I noted earlier, I believe that the compromise agreement represents a fair resolution of the differences between the two measures passed by the two bodies and will contribute substantially to the provision of quality VA health-care services. Thus, I commend this compromise to the Senate and urge my colleagues to give it their full support.

In closing, I would like to express my appreciation to the chairman (Mr. Simpson) and the other members of the committee for their cooperation and assistance as we have worked to develop this measure. I also want to thank my good friends on the House committee, the chairman, Representative Montgomery, and ranking minority member, Representative Hammerschmidt, for their usual fine work and cooperation. It has been, as always, a pleasure working with them. The compromise measure has true bipartisan support in both Houses.

Mr. President, I also want to express my thanks to the staff members of the House Committee who played key roles in the development of the compromise agreement, Mack Fleming, Rufus Wilson, Ralph Casteel, and Jack McDonell; to Robert Cover, assistant counsel, House Legislative Counsel's office, and to the members of our committee staff; Tom Harvey, Julie Susman, and Koreen Kelleher, who left the staff in July, on the majority side, for their excellent work and cooperation on this measure, committee editorial director, Harold Carter and his assistant, James MacRae, who so ably provide editorial support to the committee, and, on the minority side, Bill Brew, Ed Scott, Jon Steinberg, Katy Burdick, Charlotte Hughes, and Ingrid Post.

Mr. President, I urge my colleagues to support the compromise agreement.

VA'S CHIEF MEDICAL DIRECTOR MAKES GOOD SENSE ON VETERANS' HEALTH CARE

Mr. President, at the recent national convention of the Disabled American Veterans in Las Vegas, Nev., the Veterans' Administration's Chief Medical Director, Dr. Donald L. Curtis, delivered a very instructive speech to the convention about the VA health-care system. I believe that Dr. Curtis' views deserve the serious attention of my colleagues and others concerned about health care in the VA and in the United States generally.

Mr. President, so that my colleagues may have the benefit of Dr. Curtis' views, I ask that a verbatim transcript of Dr. Curtis' remarks to the DAV National Convention to be printed in the Record at this point.

The transcript is as follows:

REMARKS OF DR. DONALD L. CUSTIS

Thank you, Sherman, and my congratulations to you for your outstanding accomplishments as national commander. And Congressman Edgar, if I had any sense after that outstanding address, I would sit down.

Distinguished guests, members of the DAV and Auxiliary, yesterday while flying to Las Vegas, I read the July issue of the DAV Magazine, and from the tenor and the temper of some of the articles there, I was persuaded to open my remarks with the story of the African hunter. The hunter got separated from his safari, and he wandered through the jungle for several days until hungry and enervated, he began to realize that he was lost.

He became hysterical, and he said, "Oh, Lord, hear me; oh, Lord, save me; oh, Lord, lead me out of the jungle." Whereupon, he came face to face with a roaring lion. Now, can you give us a roar? [Laughter] Not as ferocious as I thought. The hunter fell to his knees and shouted, "Oh, Lord, make me a Christian," and the lion roared and shouted, "Oh, Lord, bless this food I'm about to eat." [Laughter.]

Last year I spent a lot of time writing what I thought was a very good speech, which I read to you. I think the measure of its merit was attested to by the fact that I lost you in the first ten minutes. I won't perpetrate that again. What I would like to do instead is spend a few minutes talking to you extemporaneously and from the heart.

And speaking of heart, I would up front commend a man who is heavily endowed with heart, our own Gabby Hartnett. [Applause] Believe me, it is a pleasure to work with Gabby and his staff. They have got class. They know their work, and they have got it all together, and I am sure that you are as proud of them as they are of the DAV.

Their concern for veterans in a reflection of the empathy which pervades the DAV. You show it day after day in the unselfish volunteer service you provide to our veterans in our hospitals.

Both Commander Roodzant and Gabby, writing in that issue of DAV Magazine, have reminded you that veterans' benefits are under attack. I lift the following sentence out of Gabby's article, quote: "The danger is real, very real. You must fight to save your benefits. And to that I say amen.

And I would like to focus down on the threats to that particular benefit called the veterans' health care delivery system. You have stood sentinel over that system for years, and you are very good at it. Your interest in the veterans' health care system is more than that of a consumer; you are also a proprietor.

The system is largely what you have made it. You have created not only an outstanding health care system for your fellow veterans, but you have also provided the nation with an outstanding asset. The veterans' health care system, to my mind, is a critical element in national security. It is today the most on-line contingency backup to military medicine that exists.

The veterans' health care system today is the nation's main resource for health manpower production. There is no substitute for that function. I know there are flaws in the system. We work on them every day, but let me tell you something. I also know first-hand the many elements that go to make up the pluralistic, public, private, voluntary health care delivery systems that have made American medicine the envy of the world.

I have practiced in the private sector. I have worked in community hospitals. I have worked in university hospitals. I have served in military hospitals, and now I work in the VA, and by comparison, let me tell you that your health care system is damn good. (Applause)

And I can only admonish you to cherish it and defend it and hang on to that dogged conviction that it is worth saving.

What are these dangers, these threats besetting VA medicine? I think first and foremost of the threat stems from the fact that we are an integral part of the American health care scene, a $260- to $270 billion industry that is economically out of control. It has over a period of the last several years had an inflation rate sometimes double that of the Consumer Price Index.

If some means is not found to bring under control this escalating cost of medical care, it more than anything else is going to compromise our ability to provide the quantity and the quality of care that the veteran so richly deserves. So far the Congress has found no incentives, has written no legislation providing incentives for cost control.

Instead, they have reverted once more to caps, cuts, and pending capitation vouchering for Medicare, all of this cost shifting in the guise of cost containment.

But the promise continues that the system will be redesigned, and there will be a new financial base provided.

Whatever form that takes, and right now all of these systems are in turmoil, in search of that redesign, you can be sure that veterans who have never before used our system are no longer going to be able to afford the increased differentials and surcharges that will be attendant upon Medicare and Medicaid.

The impact on the system will be more demand, aggravating the dilemma we have been struggling with for five or six years; namely, of increased demand in the face of ever-diminishing resources. There will be another impact—we are seeing it already—as federal subsidy to medical schools declines, our affiliate hospitals and universities will be the more dependent upon the VA system as a teaching base.

As we undergo this redesign, beware, beware of these danger signs: The threat for mainstreaming. We have seen it surface in the last two years in Portland, in Minneapolis, in Baltimore, all cities where there is an oversupply of physicians, the vanguard of a situation where there will be a glut of physicians in the country by the year 1990.

They are hungry and they would like nothing better than to see the high profit, acute care bled from the VA system. They are in no position, they are not interested, they are not capable of providing the full continuum of care, just that acute care. Should that ever happen, it would so disturb our patient mix that our ability to continue to provide a teaching base for health manpower would be gone, and with it our ability to attract quality health professionals into the system and retain them would be gone. It would be the beginning of a reversion to an old soldiers' and sailors' home system so well remembered from the 1930s.

Beware of mandated contracting out. Medical care, if it is to have quality, must be a team effort, and those who would fragment the management authority over that team would destroy the system. Just two weeks ago, I heard, of all places, an outstanding geriatrician from Philadelphia testifying before the House VA Committee, recommending that because the VA health care system was so manifestly good at providing extended care, they should exclusively, we should exclusively concern ourselves with extended care and let the acute care pass to the private sector.

Those who would advocate this are either ignorant of the implication or they know it full well and have the ulterior motive to destroy your health care system.

Beware of attacks on affiliation. I tell you that our affiliation program is our chief guarantor of continued quality.

Beware of slander in the media. Never has a health care system suffered from so much inaccurate, unfair, lousy press.

And beware of the specious argument that somehow the non-service-connected veteran, the needy, medically needy non-service-connected veteran somehow is not entitled to care in the system. This system cannot exist caring only for service connected.

Ladies and gentlemen, the best answer to competition is not just a defensive stance, but also an aggressive pursuit of improving what we do, and that is what our Medical District Initiated Program Planning—MEDIPP—is all about, our grassroots planning effort. It is an effort to control change, to identify where improvement in care and facilities for care are needed, based on an updated demography of the veteran.

We need to identify a better resource distribution methodology. We need to improve our productivity. We need to step up our preparation for the aging veteran. Let me digress a minute and tell you the magnitude of that impact. During the 20th century, life expectancy in these United States had been increased from 48 years to 73 years. If everyone who ever lived beyond the age of 65 since the birth of Christ—let me repeat that: Of all human beings since the birth of Christ, whoever lived beyond the age of 65, one-half of them are alive today.

During the 20th century the incidence of over-65 has increased from three percent of 12 percent. By the year 1990, 35 percent of all veterans will be over the age of 65, and in 1990 of all living males over the age of 65, 60 percent of them will be veterans. We are talking about you and me down the road. And our needs at that time for acute care will be three times the need we ever experienced before.

We need clearly to regain our role in, leading role in rehabilitation, and we will. We need to find the ultimate answer to Agent Orange, and we will. We need to keep pace with the exploding technology in medicine, with automation of clinical services, with facility replacement and renovation, and all of this is going to take money, lots, of money.

The point is, we can and we will do it more economically than our competition. (Applause) As Sherm Roodzant would say, we have promises to keep. Working together, I have no doubt as to the continued integrity and durability of the VA health care system, just as I have no doubt of the continuous advancement of medicine itself.

Never has there been a period in medicine when the future looked so bright. There is within medicine somewhere, beneath the pessimism and discouragement resulting from the disarray of our health care systems and their stupendous costs, an undercurrent of almost outrageous optimism about what may lie ahead for the eradication of human disease, if not indeed an understanding of the nature and the meaning of life itself.

I thank you, and God bless the DAV.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

APPENDIX C

Public Law 97-251
97th Congress

An Act

To amend title 38, United States Code, to enhance recruitment and retention by the Veterans' Administration of nurses and certain other health-care personnel, to improve the Veterans' Administration Health Professional Scholarship Program and certain aspects of other Veterans' Administration health-care programs, and to extend certain expiring Veterans' Administration health-care programs; and for other purposes.

Sept. 8, 1982
[H.R. 6350]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982.
38 USC 101 note.

SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE

SECTION 1. (a) This Act may be cited as the "Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

PAY AND WORK SCHEDULES FOR NURSES AND CERTAIN OTHER HEALTH-CARE PERSONNEL

38 USC 4107.

SEC. 2. (a) Paragraph (10) of section 4107(e) is amended to read as follows:

"(10)(A) Notwithstanding any other provision of law but subject to subparagraphs (B) and (C) of this paragraph, if the Administrator determines it to be necessary in order to obtain or retain the services of nurses, the Administrator—

"(i) may increase the rates of additional pay authorized under paragraphs (2) through (8) of this subsection; and

"(ii) may extend the period for which additional pay authorized under paragraph (3) of this subsection is paid to include part or all of a tour of duty any part of which is within the period commencing at midnight Friday and ending at midnight Saturday.

"(B) An increase under subparagraph (A)(i) of this paragraph in rates of additional pay (i) may be made at any specific Veterans' Administration health-care facility in order to provide nurses, or any category of nurses, at such facility additional pay in an amount competitive with, but not exceeding, the amount of the same type of pay that is paid to the same category of nurses at non-Federal health-care facilities in the same geographic area as such Veterans' Administration health-care facility (based upon a reasonably representative sampling of such non-Federal facilities), and (ii) may be made on a nationwide, local, or other geographic basis if the Administrator finds that such an increase is justified on the basis of a review of the need for such increase (based upon a reasonably representative sampling of non-Federal health-care facilities in the geographic area involved).

"(C)(i) An extension under subparagraph (A)(ii) of this paragraph of the period for which additional pay may be paid under paragraph (3) of this subsection may be made on a nationwide, local, or other geographic basis. Any such extension shall be based on a determination by the Administrator that such extension is justified on the basis of a review of the need for such extension in such geographic area.

"(ii) The rates of additional pay payable pursuant to an extension under such subparagraph shall be established as a percentage of the applicable hourly rates of basic pay. Such rates of additional pay may not exceed the lesser of (I) the percentage of such hourly rates of basic pay that the Administrator determines is necessary to be paid within the geographic area involved in order to obtain or retain the services of nurses, and (II) the percentage provided for in paragraph (3) of this subsection of the applicable hourly rate of basic pay.".

(b) Section 4107(f) is amended by striking out "paragraphs (2) through (8) of".

(c) Section 4107 is amended by adding at the end the following new subsection:

"(h)(1) Notwithstanding any other provision of law but subject to paragraph (2) of this subsection, if the Administrator determines it to be necessary in order to obtain or retain the services of nurses at any Veterans' Administration health-care facility, the Administrator may provide, in the case of nurses appointed under this subchapter and employed at such facility, that such nurses who work two regularly scheduled twelve-hour tours of duty within the period commencing at midnight Friday and ending at midnight the following Sunday shall be considered for all purposes (except computation of full-time equivalent employees for the purposes of determining compliance with personnel ceilings) to have worked a full forty-hour basic workweek.

"(2)(A) Basic and additional pay for a nurse who is considered under paragraph (1) of this subsection to have worked a full forty-hour basic workweek shall be subject to subparagraphs (B) and (C) of this paragraph.

"(B) The hourly rate of basic pay for such a nurse for service performed as part of a regularly scheduled twelve-hour tour of duty within the period commencing at midnight Friday and ending at midnight the following Sunday shall be derived by dividing the nurse's annual rate of basic pay by one thousand two hundred and forty-eight.

Overtime pay.

"(C)(i) Such a nurse who performs a period of service in excess of such nurse's regularly scheduled two twelve-hour tours of duty is entitled to overtime pay under subsection (e)(5) of this section, or other applicable law, for officially ordered or approved service performed in excess of eight hours on a day other than a Saturday or Sunday or in excess of twenty-four hours within the period commencing at midnight Friday and ending at midnight the following Sunday.

"(ii)(I) Except as provided in subdivision (II) of this division, a nurse to whom this paragraph is applicable is not entitled to additional pay under subsection (e) of this section, or other applicable law, for any period included in a regularly scheduled twelve-hour tour of duty.

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"(II) If the Administrator determines it to be further necessary in order to obtain or retain the services of nurses at a particular facility, a nurse to whom this paragraph is applicable who performs service in excess of such nurse's regularly scheduled two twelve-hour tours of duty may be paid overtime pay under subsection (e)(5) of this section, or other applicable law, for all or part of the hours of officially ordered or approved service performed by such nurse in excess of forty hours during an administrative workweek.

"(3) A nurse described in paragraph (2)(A) of this subsection who is absent on approved sick leave or annual leave during a regularly scheduled twelve-hour tour of duty shall be charged for such leave at a rate of five hours of leave for three hours of absence.

Regulations.

"(4) The Administrator shall prescribe regulations for the implementation of this subsection.".

Proposed regulations; publication in Federal Register.
38 USC 4107 note.

(d)(1) Not later than one hundred and twenty days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall publish in the Federal Register, for public review and comment for a period of not to exceed sixty days, proposed regulations for the implementation of subsection (e)(10) of section 4107 of title 38, United States Code (as amended by subsection (a) of this section), subsection (g) of such section, and subsection (h) of such section (as added by subsection (c) of this section).

Final regulations; publication in Federal Register.

(2) Not later than three hundred days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall publish in the Federal Register final regulations for the implementation of such subsections.

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

38 USC 4142.

SEC. 3. (a) Section 4142 is amended—

(1) in subsection (a)—

(A) by striking out "full-time" in clause (1); and

(B) by adding below clause (4) the following new sentences:

Participant eligibility requirements.

"To be accepted as a participant in the Scholarship Program, an individual must be accepted for enrollment or be enrolled (as described in clause (1) of this subsection) as a full-time student, except that an individual who is a Veterans' Administration employee described in subsection (g)(1) of this section may be accepted as a participant if accepted for enrollment or enrolled (as described in clause (1) of this subsection) for study on less than a full-time but not less than a half-time basis. (Such a participant is hereinafter in this subchapter referred to as a 'part-time student'.)";

(2) in subsection (e)(1)(A)(i), by inserting "(or in a case in which an extension is granted under subsection (g)(3) of this section, the number of school years provided for as a result of such extension)" after "years";

(3) in subsection (e)(1)(B)—

(A) by inserting "(to be reduced, in the case of a participant who is a part-time student, in accordance with the proportion that the number of credit hours carried by such participant in any such school year bears to the number of credit hours required to be carried by a full-time student in the course of training being pursued by the participant)" in division (iv)(I) after "Scholarship Program";

(B) by striking out "years; and" in division (iv)(II) and inserting in lieu thereof "years (or, in the case of a participant who is a part-time student, one calendar year);";

(C) by inserting "and" at the end of division (v); and

(D) by adding at the end the following new division:

"(vi) in the case of a participant who is a part-time student, to maintain employment, while enrolled in such course of training, as a Veterans' Administration employee permanently assigned to a Veterans' Administration health-care facility;";

(3) in subsection (f)—

Stipend; limitations.

(A) by inserting a comma and "except that a stipend may not be paid to a participant who is a full-time employee of the Veterans' Administration and the stipend of a participant who is a part-time student shall be adjusted as provided in subsection (g)(2) of this section" before the period at the end of paragraph (1)(B); and

(B) by inserting "maximum" after "The" in paragraph (3);

(4) by redesignating subsections (g), (h), and (i) as subsections (h), (i), and (j), respectively;

(5) by inserting after subsection (f) the following new subsection (g):

"(g)(1) To be accepted as a participant as a part-time student, an individual must be a full-time Veterans' Administration employee permanently assigned to a Veterans' Administration health-care facility on the date on which such individual submits the application referred to in subsection (a)(2) of this section and on the date on which such individual becomes a participant in the Scholarship Program.

"(2) If a participant in the Scholarship Program is awarded a scholarship as a part-time student—

Maximum stipend.

"(A) the maximum amount of the stipend payable to such participant under subsection (f)(1)(B) of this section shall be reduced in accordance with the proportion that the number of credit hours carried by such participant bears to the number of credit hours required to be carried by a full-time student in the course of training being pursued by the participant; and

"(B) a stipend may not be paid to such participant under such subsection for any month during which such participant is not actually attending the course of training in which such participant is enrolled.

Scholarship award period extension.

"(3) In the case of a participant who is a part-time student, the Administrator may extend the scholarship award period to a maximum of six school years if the Administrator determines that such an extension would be in the best interest of the United States."; and

(6) in subsection (h) (as redesignated by clause (4))—

(A) by inserting "by virtue of their participation in such program (1)" after "Program shall not";

(B) by striking out "and shall not" and inserting in lieu thereof a comma and "or (2)";

(C) by striking out "employment" and inserting in lieu thereof "personnel"; and

(D) by striking out "while they" and all that follows through "clinical training".

38 USC 4143.

(b)(1) Section 4143(b) is amended—

(A) by inserting "who is a full-time student or the date described in paragraph (5) of this subsection with respect to a participant who is a part-time student" in paragraph (1) after "Scholarship Program";

(B) by amending paragraph (2) to read as follows:

"(2) As soon as possible after the applicable date described in paragraph (3) of this subsection or provided for under paragraph (5) of this subsection, the Administrator shall—

"(A) in the case of a participant who is not a full-time employee in the Department of Medicine and Surgery, appoint such participant as such an employee; and

"(B) in the case of a participant who is such an employee but is not serving in a position for which such participant's course of training prepared such participant, assign such participant to such a position.";

(C) in paragraph (3)(B) by inserting "the later of (i) the date upon which the participant completes such participant's course of training, or (ii)" after "is"; and

(D) by adding at the end the following new paragraph: Regulation.

"(5) The Administrator shall by regulation prescribe the date for the beginning of the period of obligated service of a participant who was a part-time student. Such regulations shall prescribe terms as similar as practicable to the terms set forth in paragraph (3) of this subsection.".

(2) Section 4143(c) is amended to read as follows:

"(c)(1) Except as provided in paragraph (2) of this subsection, a participant in the Scholarship Program shall be considered to have begun serving such participant's period of obligated service—

"(A) on the date, after such participant's course completion date, on which such participant (in accordance with subsection (a) of this section) is appointed under this chapter as a full-time employee in the Department of Medicine and Surgery; or

"(B) if the participant is a full-time employee in the Department of Medicine and Surgery on such course completion date, on the date thereafter on which such participant is assigned to a position for which such participant's course of training prepared such participant.

"(2) A participant in the Scholarship Program who on such participant's course completion date is a full-time employee in the Department of Medicine and Surgery serving in a capacity for which such participant's course of training prepared such participant shall be considered to have begun serving such participant's period of obligated service on such course completion date.

"(3) For the purposes of this subsection, the term 'course completion date' means the date on which a participant in the Scholarship Program completes such participant's course of training under the program.". "Course completion date."

(c) Section 4144(b) is amended— 38 USC 4144.

(1) in clauses (1) and (2), by striking out the semicolon at the end and inserting in lieu thereof a comma;

(2) by striking out the semicolon and "or" at the end of clause (3) and inserting in lieu thereof a comma;

(3) by striking out the semicolon at the end of clause (4) and inserting in lieu thereof a comma and "or"; and

(4) by inserting after clause (4) the following new clause:

"(5) in the case of a participant who is a part-time student, fails to maintain employment, while enrolled in the course of training being pursued by such participant, as a Veterans' Administration employee permanently assigned to a Veterans' Administration health-care facility,".

CONTRACT CARE IN PUERTO RICO AND THE VIRGIN ISLANDS

38 USC 601.

SEC. 4. Section 601(4)(C)(v) is amended by striking out "September 30, 1982," and inserting in lieu thereof "September 30, 1983,".

RESTORATION OF CHAMPVA ELIGIBILITY FOR CERTAIN MEDICARE BENEFICIARIES

38 USC 613

SEC. 5. (a) Section 613 is amended by adding at the end the following new subsection:

"(d) Notwithstanding the second sentence of section 1086(c) of title 10 or any other provision of law, any spouse, surviving spouse, or child who, after losing eligibility for medical care under this section by virtue of becoming entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.), has exhausted any such benefits shall become eligible for medical care under this section and shall not thereafter lose such eligibility under this section by virtue of becoming again eligible for such hospital insurance benefits.".

Effective date.
38 USC 613 note.

(b) The amendment made by subsection (a) shall take effect on October 1, 1982.

EXTENSION FOR REPORT ON ALCOHOL AND DRUG DEPENDENCE AND ABUSE PILOT PROGRAM

38 USC 620A.

SEC. 6. Section 620A(f) is amended by striking out "March 31, 1983," and "September 30, 1982," and inserting in lieu thereof "March 31, 1984," and "September 30, 1983,", respectively.

TECHNICAL AMENDMENT RELATING TO PAYMENTS TO STATE VETERANS' HOMES

38 USC 643.

SEC. 7. Section 643 is amended by striking out "of any war".

AUTHORIZATION OF APPROPRIATIONS FOR GRANTS TO STATE VETERANS' HOMES

38 USC 5033.

SEC. 8. The first sentence of section 5033(a) is amended to read as follows: "There is hereby authorized to be appropriated $15,000,000 for fiscal year 1980 and such sums as may be necessary for fiscal year 1981 and for each of the five succeeding fiscal years.".

EXCHANGE OF MEDICAL INFORMATION WITH STATE VETERANS' HOMES

38 USC 5054.

SEC. 9. Section 5054(b) is amended by inserting "(including State home facilities furnishing domiciliary, nursing home, or hospital care to veterans)" before the period at the end of the first sentence.

REPORT ON THE USE OF FLEXIBLE AND COMPRESSED WORK SCHEDULES BY THE VETERANS' ADMINISTRATION

Report to Congress.
38 USC 219 note.

SEC. 10. Not later than July 1, 1984, the Administrator of Veterans' Affairs shall submit to Congress a report on the results of the use of flexible and compressed work schedules by the Veterans'

Administration. Such report shall include (1) an evaluation of the effects of the use of such schedules on the recruitment and retention of Veterans' Administration employees, on such employees' productivity and morale, and on such employees' effectiveness in carrying out the missions of the Veterans' Administration, and (2) such recommendations for administrative or legislative action, or both, as the Administrator considers appropriate in light of the need for and use of flexible and compressed work schedules by the Veterans' Administration.

Approved September 8, 1982.

LEGISLATIVE HISTORY—H.R. 6350 (S. 2385):

HOUSE REPORT No. 97-543 (Comm. on Veterans' Affairs).
SENATE REPORT No. 97-467 accompanying S. 2385 (Comm. on Veterans' Affairs).
CONGRESSIONAL RECORD, Vol. 128 (1982):
June 14, 15, considered and passed House.
June 21, considered and passed Senate, amended, in lieu of S. 2385.
Aug. 19, House concurred in Senate amendments with amendments.
Aug. 20, Senate concurred in House amendments.

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